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DAILY REPORT

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NAKASONE STRESSES BENEFITS OF STRONG YEN

OW110853 Tokyo KYODO in English 0836 GMT 11 Jun 86

[By Shiro Yoneyama]

[Excerpts] Sapporo, June 11 KYODO -- Prime Minister Yasuhiro Nakasone, kicking off a weeklong nationwide stumping tour here for the July 6 twin election, emphasized Wednesday the strong yen is benefiting resources-poor Japan in the form of a reduction in utilities charges. "The strong yen is better than inflation and high prices," he told an audience of over 2,000 people at a hotel here. "The Japanese people as a whole are benefiting from the yen's appreciation."

Nakasone, president of the governing Liberal-Democratic Party, chose this capital city of Hokkaido, Japan's northernmost main island, as the first stop of the weeklong stumping tour that will take him to Fukuoka, Nagoya and other cities as well as Tokyo later this week and early next week in a bid to achieve victory in the July 6 poll.

In a 40-minute speech before the LDP supporters, Nakasone spelled out his pledges to carry out educational, tax and administrative reforms and to assist smaller enterprises affected by the yen's big surge in exchange value against the U.S. dollar. The prime minister also told the audience of largely middle-aged LDP supporters that his government is taking steps on medical care, pension and in other areas to cope with Japan's aging society now that people aged 65 and older account for 15 percent of the total population. "I am one of the elderly," said Nakasone who turned 68 May 27.

Stressing the benefits of the strong yen, Nakasone said the yen's appreciation has prompted Japanese electric power and gas companies to reduce charges by 2,800 yen per household a year. "That is equal to a tax cut of 1.1 trillion yen," the Japanese leader said. A one dollar decline in the barrel of crude oil means a saving of about 1.2 billion dollars, he added.

During a news conference prior to his speech, Nakasone predicted that next month's election will be "tough and difficult" but provide him and his government the opportunity to seek the electorate's support for overhauling the nation's educational, tax and administrative systems.

TRADE SURPLUS REACHES 'RECORD' HIGH IN MAY

OW101035 Tokyo KYODO in English 0939 GMT 10 Jun 86

[Text] Tokyo, June 10 KYODO -- Japan's trade surplus rose to a monthly record of 7.53 billion dollars in May, surpassing the previous high of 6.83 billion dollars set only in April, the Finance Ministry said in a preliminary report Tuesday. Ministry officials attributed the increase to a sharp rise in exports of automobiles and auto parts and a drop in crude oil imports. Japan had a trade surplus of 3.37 billion dollars in May 1985.

The country's exports on an FOB (free on board) basis jumped 24 percent in May over a year earlier to 17.89 billion dollars -- the second largest figure after a record 17.96 billion dollars last December. Exports in April totaled 17.74 billion dollars. In contrast, imports on a CIF (cost, insurance and freight) basis decreased 6.3 percent from a year before to 10.36 billion dollars in May. The figure was 10.91 billion dollars in April.

Japan's trade surplus with the United States rose to 4.06 billion dollars from 3.41 billion dollars in May 1985. A record monthly high of 4.76 billion dollars was scored in April. Exports to the U.S. showed a 21.6 percent increase over a year before to 6.93 billion dollars, while imports from the U.S. rose 25.6 percent to 2.87 billion dollars. Asked when the yen's appreciation against the dollar since last September will help reduce Japan's trade surplus, a senior ministry official said such effects should start to surface from now on.

Notable among exports in May were a 30.3 percent year-on-year increase in the value of automobile shipments to 3.92 billion dollars and a 68.6 percent jump in auto parts to 691.5 million dollars. Japan's car exports to the U.S. rose 33.7 percent from May 1985 and auto parts shipments climbed 84 percent.

Falling crude oil prices and the yen's upsurge pushed down Japan's overall imports. The value of oil imports registered a 61.6 percent year-on-year drop to 1.1 billion dollars, while showing a 15.7 percent decline in volume. Crude oil cost about 12.8 dollars a barrel in May, compared with 16.46 dollars in April and 28.31 dollars in May last year.

Japan had a surplus of 1.5 billion dollars with the European Community, compared with 1.4 billion dollars in April and 696 million dollars in May last year. Shipments to China continued to drop, due mainly to the yen's upswing, falling 31.9 percent from a year earlier to 739 million dollars in May, while imports fell 30.3 percent to 408 million dollars.

U.S. ECONOMIC GROUP ON STRUCTURAL REFORM

OW091227 Tokyo KYODO in English 1147 GMT 9 Jun 86

[Text] Tokyo, June 9 KYODO -- Beryl W. Sprinkel, chairman of the U.S. Council of Economic Advisers, Monday urged Japan to further expand domestic demand in order to rectify the huge Japan-U.S. trade imbalance, Japanese officials said. The officials quoted Sprinkel as telling the 14th Japan-U.S. Economists' Meeting in Tokyo that correction of such trade imbalances only through realignment of exchange rates would result in a much higher yen, which is not desirable for either Japan or the United States.

The recent sharp depreciation of the dollar against the yen -- more than 30 percent since last September -- will require 1.5 to 2 years before it will have a favorable impact on U.S. industry, he said. The meeting, routinely held to discuss macroeconomic policies of the two countries, was the first cabinet-level exchange of views on structural adjustment issues the Japanese Government is trying to tackle to transform the economy to one more dependent on domestic demand than on exports.

Sprinkel's statement echoed recent similar remarks by other senior U.S. administration officials calling for greater Japanese efforts to pump up its economy, including an official discount rate cut. The Bank of Japan has already lowered its key lending rate three times this year -- to a record 3.5 percent a year. Sprinkel also asked Japan to come up with a concrete program to implement its structural adjustment plan worked out recently by Prime Minister Yasuhiro Nakasone's private advisory body, headed by former Bank of Japan Governor Haruo Maekawa.

Wataru Hiraizumi, director-general of the Economic Planning Agency, explained about the basic government policy of expanding the economy through domestic demand and promoting imports. He also pointed out that the government adopted a package of economic measures in April aimed at improving Japan's economic performance by making use of the stronger yen and lower crude oil prices.

NODONG SINMUN URGES STUDY OF KIM IL-SONG LECTURE

SK100223 Pyongyang Domestic Service in Korean 2136 GMT 8 Jun 86

[NODONG SINMUN 9 June editorial: "Let Us Deeply Embody the Great Experience in the Construction of Our Party"]

[Text] Our workers and functionaries, regarding the text of a lecture written by the great leader Comrade Kim Il-song entitled "The Historical Experience in the Construction of the WPK" as a great classic that summed up the experience attained in the construction of a chuche party, are strengthening their study of the elaborate work. This shows our people's lofty political enthusiasm for staunchly defending and brightening the achievements and experience attained by our party and completing, to the end, the cause of building a chuche party and the revolutionary cause.

The transcript of a lecture by the great leader Comrade Kim Il-song entitled "The Historical Experience in the Construction of the WPK" is a basic textbook that all functionaries, party members, and workers must deeply study and embody.

The great leader Comrade Kim Il-song has taught: The experience attained by our party in the construction of the party will become a valuable asset for further strengthening and developing our party in the future. By deeply studying the historical experience attained in the construction of the party, the party functionaries must heighten their political and working capabilities and further deepen and develop the party work.

Our party has trodden the arduous and honorable struggle path and in this process, has accumulated immortal achievements and plentiful experience. The work of the great leader Comrade Kim Il-song is a collection of books on the theory on party construction that summed up this proud history and our immortal achievements of the experience attained through struggle.

Included in the work are the historical experience in founding our party, the experience in building a chuche revolutionary party, the experience in realizing the party's organizational and ideological firmness, the experience in firmly guaranteeing the unity and cohesion of the party and the popular masses, the experience in realizing the party's leadership in the revolution and construction and achieving the art of the party's leadership, and the experience in building the party in a prospective manner. The work is an encyclopedia that sums up the precious experience in and the theory on party construction, which will have a perpetual vitality not only today but also in the communist society of the future, and is a proud document on the experience in the construction of the greatest party that a party of the working class can create. Because of this, the work is a very precious revolutionary treasure for externally strengthening and developing our party into a chuche revolutionary party.

For the party members and workers to embody the experience of our party by deeply studying the work of the great leader Comrade Kim Il-song is an important work for them to train themselves to be chuche-type revolutionaries who are endlessly loyal to the party and who have lofty political and working-level capabilities. True revolutionaries are those who have a firm revolutionary view of the world, who firmly believe their party, and who share the same destiny with the party to the end. To become such a revolutionary, one must know the history, achievements, and experience of his party well and must think and act in accordance with the ideology and spirit of the party at any time and any place.

Precious revolutionary provisions which the party members and workers must possess are contained in the experience of our party. Therefore, when the party members and workers deeply embody the experience of the party, all of them can strongly arm themselves with the revolutionary spirit of our party and *chuche* idea, can firmly possess the *chuche* revolutionary view of the world, and can further heighten their political and working capabilities.

Deeply embodying the experience of the party by studying the work of the great leader Comrade Kim Il-song is a guarantee for further deepening the party work and for accelerating socialist construction.

The historical experience of our party is a revolutionary treasure that makes the party more matured and refined and an eternal *chuche* revolutionary party. When the whole party strongly arms itself with this previous experience and brightens it, the might and combat strength of our party will be further strengthened.

Today, the heavy task of attaining the complete socialist victory, of realizing the independent reunification of the fatherland, and of attaining the ultimate victory of the *chuche* cause ahead of time is laid before us. The key to all this work is for the party members and workers to strongly arm themselves with the great experience of the party. The experience of the party is a source that makes the party members and workers possess a great pride in their party and an absolute trust in their own party and is a foundation that makes them carry out all revolutionary works according to the will of the party. Therefore, only when the party members and workers know the experience of our party well, can they, satisfactorily, in accordance to our way of doing things, carry out the revolutionary tasks of deeply embodying the justness and vitality of the lines and policies on socialist construction, which the party has historically presented; of thoroughly implementing them, of developing economy and culture; and of improving the people's lives and all other revolutionary tasks.

Deeply studying and embodying the transcript of a lecture by the great leader Comrade Kim Il-song entitled "The Historical Experience in the Construction of the WPK" is a noble responsibility that is presented before all party members and workers. An important question in developing the custom of studying the work of the great leader Comrade Kim Il-song by the whole party is for the party members and workers to grasp the historical significance and the essence of the work.

The recent work of the great leader Comrade Kim Il-song assumes a special status in the ideological and theoretical activities of the leader and in the development of our party and the revolution. Our party, which has trodden the long and glorious path, is really at a glorious time. The recent work, which was released at a time when endlessly bright prospects have been opened before the party, is of great significance for the development of our party and the revolution. The functionaries and workers must deeply comprehend the status and significance of the work in relation to the historical environment which led to the release of the work.

Grasping well the basic spirit and essence contained in the work of the great leader Comrade Kim Il-song is an important question. The idea contained in the work from the beginning and to the end is to brilliantly complete the revolutionary cause by advancing the cause of building our party along the road cultivated in the Down-With-Imperialism union movement. The functionaries and workers must harbor, as a conviction, the spirit contained in the work by grasping the work in a monolithic manner through linking all sentences, ideologies, and propositions contained in the work.

In studying the work of the great leader Comrade Kim Il-song, the party members and workers must make efforts to grasp the greatness of the leader and embody the truthfulness of the *chuche* idea. All noble and plentiful experience attained by our party is related to the greatness of the leader. The experience of our party is an embodiment of the wise leadership of the party and the leader and is a fruit of the outstanding ideological, theoretical, and practical activities by the leader.

The party members and workers must perceive that every proposition and ideology contained in the work of the great leader Comrade Kim Il-song is the noble truth attained in the process of the arduous and long revolutionary struggle by the great founder and greater leader [yongdoja] of the party, not a simple theoretical generalization. The experience of our party is endlessly noble and diverse because it is based upon the *chuche* idea from the beginning to the end. The truth of the great *chuche* idea is contained in every sentence and expression in the work, and the experience in the construction of our party is, in the work, systematized and profoundly analyzed on the basis of the principle of the *chuche* idea. By deeply grasping the principle of the *chuche* idea contained in the work, the party members and workers must know well how proud our party is to have been founded, strengthened, and developed along the creative road of its development.

Substantially studying the work of the great leader Comrade Kim Il-song in various forms and methods is an important question in developing the custom of studying his work in order to embody the experience of the party. Studying the text of the transcript of a lecture by the great leader Comrade Kim Il-song entitled "The Historical Experience in the Construction of the WPK" is a basic in the study of his work. The party organizations must attach importance to studying the text of the work, and substantially organize the study of the work through individual study, collective study, debate, discussion, and various other forms and methods.

Making efforts to correctly perceive creative ideologies and propositions put forth in the work is important. By perceiving the recent work in relation to the ideologies and propositions expressed in the works and the party documents on party construction, which the great leader Comrade Kim Il-song released in the past, the functionaries and workers must historically and wholly perceive the *chuche* theory on party construction and must embody its creative and profound nature. An effective method of making the functionaries and workers embody the experience of our party is to study the work of the great leader Comrade Kim Il-song in relation to the history of our party and their experience.

The experience attained through achieving unity between the theory and practice is contained in the theories and propositions in the work, and it is a record of the history of our party. All of our generation is the one which has created, experienced, and witnessed the proud history of our party.

All party members and workers must perceive each sentence, theory, and expression in the work of the great leader Comrade Kim Il-song in relation to the history of our party and their experience. We must make the party members and workers perceive in relation to their own experience how our party held fast to the banner of independence and established *chuche* during the period after the war and other stern and arduous periods, and how valuable achievements were attained in this process. In this way, they can deeply perceive how honorable a path they have trodden with the party and deeply embody the profound ideologies, principles, and propositions contained in the work.

Studying the work of the great leader Comrade Kim Il-song in relation to the practical activities is important.

The purpose of studying the work is to successfully carry out all works, regarding the experience attained by the party as weapons for practical activities. As for continuously accelerating the cause of building our party, the work has presented a new task and objective in the struggles. By studying the work of the great leader Comrade Kim Il-song, all functionaries, party members, and workers must correctly perceive the tasks presented before them and (?their party) and must make the achievements in studying the work bring about practical successes in accelerating revolution and construction. The party functionaries, in particular, must successfully carry out the work of heightening the combatant skill and role of the party and of organizationally and ideologically strengthening our party.

On the basis of the principle and rule for party construction presented in the work of the great leader Comrade Kim Il-song, the party functionaries must find ways and methods for carrying out the construction of party organizations and party ideological works. The functionaries and workers must adhere to an important question: Strongly arming themselves with the ideology and theory on party construction, which was elucidated by the dear Comrade Kim Chong-il, and brilliantly embodying them in carrying out all works. By more substantially and diversely carrying out the work of studying the work of the great leader Comrade Kim Il-song in accordance with the high fervent will of the party members and workers, the party organization of various levels and functionaries must strongly arm the whole party with the experience of the construction of our party and make it bring about an endless advance in the work of strengthening the party.

SEOUL OLYMPICS SCHEME FOR PERMANENT DIVISION

South Minister's Remarks Hit

SK081042 Pyongyang Domestic Service in Korean 2151 GMT 6 Jun 86

[NODONG SINMUN 7 June commentary: "A Splittist Outburst With the Sound of a Broken Drum"]

[Text] The puppet prime minister said that the success of the Asian Games and the 1988 Olympics depends on achievement of the entry of South Korea into the United Nations and of cross-recognition. Raving that someone's disturbance maneuvers are expected to take place during the 1988 Olympics, he again put forth a theory of crisis within 2 or 3 years. He made such remarks when he came to the site of a war exercise codenamed "Pilsung Pangpae-86" ["Victorious Shield-86"]. The puppet prime minister's maneuvers revealed his criminal purpose in holding the Asian Games this year and the 1988 Olympics in South Korea.

As for the issue of entry into the United Nations and cross-recognition frequently raved about by the puppets, it is a plan for the nation's division worked out by the U.S. imperialists to internationally legalize two Koreas. The puppets are abusing the Olympics to permanently divide the nation. At a time when the people have put forth national reunification as a supreme task and the peace-loving people of the world are unanimously aspiring for Korea's reunification, the puppets are attempting to make the nation's division a fait accompli by abusing even the international sports games. This is an intolerable mockery against the people's desire for reunification.

Indeed, the Chon Tu-hwan clique is a group of peerlessly vicious traitors who are scheming to prolong their filthy lives as colonial stooges with the price received in return for permanently offering South Korea to the U.S. imperialists as their colony and military base and by fabricating two Koreas, paying no attention to the destiny of the nation and the people.

What is also detestable is that the puppets attempted to conceal their criminal maneuvers while raving about someone's disturbance maneuvers and threat against sports games. In a statement issued on the so-called Memorial Day, the puppet prime minister again stressed the theory of southward invasion. It is clear to the entire world that the threat of aggression on the Korean peninsula comes from the South, where more than 1,000 nuclear weapons are deployed; where more than 40,000 U.S. aggressor forces and the 1 million-strong puppet army, as well as the more than 10 million-strong paramilitary forces, are stationed; and where a large-scale test war is being staged continuously, simulating northward aggression.

Those who have perpetrated the "Team Spirit-86" nuclear war exercise against our Republic together with the U.S. imperialists and who are staging a large-scale northward offensive operation exercise are now propagating the threat by someone. How shameless and mean an act this is! Those who drove the North-South dialogue to the status of suspension by causing the report of guns and rifles to resound and who are staging a war exercise are the puppets and those who are watching for an opportunity for invasion after having assembled 80 to 90 percent of the puppet armed forces in the frontline area in accordance with the U.S. imperialists' strategy of northward invasion are also the puppets. The puppets' theory of the threat of southward aggression is a slogan for northward offensive. The puppets are more noisily beating the broken drum called threat of southward invasion because their situation is not comfortable.

Today, assertions that South Korea, which is the U.S. imperialists' colony and a forward nuclear base, and which is an exhibition of its atrocious human rights violations, is not a proper venue for the Olympics have been continuously raised by the peace-loving people of the world. Stressing that democratization is more urgent than the Olympics, the South Korean students and people are resolutely opposing the Olympics and calling for the resignation of traitor Chon Tu-hwan. Rumors that the Chon Tu-hwan regime will be ruined by a time bomb called the Olympics, which will explode in 1988, are circulating. If there is any threat in South Korea, it is the fierce resistance of the people threatening the puppet regime.

The fact that the Chon Tu-hwan clique is continuously raving about the disturbance maneuvers by the North against the Olympics is a premeditated, slanderous scheme aimed at triggering a war against us and shifting the responsibility onto us when it faces a crisis in power and the Olympics faces a destiny of rupture.

The puppets are attempting to realize their long-term power and create international circumstances favorable for fabricating two Koreas by successfully holding the Olympics at any cost. However, the situation will not develop as desired by the puppets. The South Korean students and people who rose in the struggle chanting slogans calling for the overthrow of the fascist regime will not tolerate the Olympics, which will make the dictator survive and deepen the nation's division. The peace-loving people of the world will not tolerate the Chon Tu-hwan clique, which is scheming to use the Olympics for its impure political aims.

Said Challenge to Reunification

SK071012 Pyongyang KCNA in English 0959 GMT 7 Jun 86

[Text] Pyongyang June 7 (KCNA) -- In case the U.S. imperialists and the South Korean puppets are given free hand to stage the Olympic Games in South Korea only, participation in them will mean approving the occupation of South Korea by the U.S. forces and encouraging their moves to aggravate North-South confrontation and split our country by creating "two Koreas", declares NODONG SINMUN today.

Pointing to the scheme of the U.S. imperialists and the South Korean puppets to abuse the 24th Olympics for the creation of "two Koreas" by staging it in Seoul, the author of the article says:

By approaching the socialist countries and non-aligned nations through the Olympic Games, the Chon Tu-hwan group hopes to improve its position in international isolation and, furthermore, disguise South Korea as an "independent state", thereby justifying the U.S. imperialists' occupation of South Korea and creating a climate favorable for the creation of "two Koreas".

Were the Olympic Games to be forced in the southern part of the Korean peninsula where North and South stand confronting each other, in spite of the opposition of many countries, this would result in leaving a shameful stain on the Olympic history and splitting the Olympic movement itself. The South Korean rulers would never evade the responsibility for this.

The way of saving the Olympiad from the crisis and ensuring a smooth opening of the games lies in its cohosting by the North and the South of Korea. We will regard the staging of the Olympic Games in Seoul only as a challenge to the noble cause of national reunification. The Olympic flag must not be abused for the "two Koreas" plot of the splittists.

Anyone interested in the healthy development of the Olympic movement with reason should heighten vigilance against the criminal schemings of the U.S. imperialists and the South Korean puppets to make a political capital out of the Olympics and should pay a serious attention to saving the Olympic movement from the crisis.

OPPOSITION TO OLYMPIC HOSTING INCREASING IN SOUTH

SK080822 Pyongyang KCNA in English 0808 GMT 8 Jun 86

[Text] Pyongyang June 8 (KCNA) -- Broad segments of the South Korean people are denouncing and rejecting the criminal moves of the Chon Tu-hwan puppet clique to host the 1988 Olympiad in Seoul. More than 1,500 students of Yonsei University, holding an anti-U.S., anti-"government" demonstration some time ago, shouted the slogans "U.S. imperialists, get out," "Down with the dictatorship" and "Boycott the Olympic Games increasing foreign debts".

Students of universities and colleges in Seoul and Pusan widely distributed printed material calling for "resolute opposition to the Olympiad" together with anti-"government" leaflets. The "National Federation of Students" of South Korea in a recent statement strongly called for "resolute opposition to the 1988 Olympic Games."

Speaking at a meeting for the signature campaign for constitutional amendments, Kim Tae-chung denounced the moves of the Chon Tu-hwan military hooligans to stay in power indefinitely under the signboard of the 88 Olympiad, saying that the "Olympic Games are no more than a big function of sports in every respect" and "the greatest work of the nation is to realize democracy".

Kim Yong-sam also criticized the plot of the puppets to put off the "constitutional" amendments under the pretext of the Olympics, saying that "our people exist not for sports games."

According to the opinion poll by a South Korean newspaper, 64 percent of the South Korean population held that the 88 Olympics would bring additional economic burden to the people and intellectuals in their twenties, in particular, expressed strong opposition to the Olympiad, saying that it would further aggravate the economic stagnation. And over 56 percent of the population rejected the Seoul Olympiad, saying that it would result in increasing the tensions between the North and the South.

USSR'S GARMON SUPPORTS DPRK COHOSTING PROPOSAL

SK090500 Pyongyang KCNA in English 0455 GMT 9 Jun 86

[Text] Moscow June 7 (KCNA) -- M. Gramov, president of the USSR Physical Culture and Sports Committee, said that the staging of the 1988 Olympic Games in the North and the South of Korea would mean a step toward the realization of the Korean people's desire to reunify the country peacefully.

Referring to the Olympic cohosting proposal of the Democratic People's Republic of Korea at a press conference on the sports games to be held in Moscow on July 5, he declared: We support the proposal of the representatives of the Democratic People's Republic of Korea to stage the 1988 Olympic games in Pyongyang, too. They are making every effort possible to stage the games on an up-to-the-standard level in conformity with the rules and tradition of the Olympic Games.

The stand of the USSR Physical Culture and Sports Committee supporting the cohosting proposal was notified to the president of the International Olympic Committee, he said,

PAPERS RAP JAPANESE HISTORY BOOK REVISION

SK110439 Pyongyang KCNA in English 0429 GMT 11 Jun 86

[Text] Pyongyang June 11 (KCNA) -- Papers here today criticize the Japanese authorities for grossly misrepresenting the past aggressive crimes of the Japanese imperialists in Korea and other parts of Asia in the history textbooks of middle and high schools. The Japanese authorities distorted many historical facts. They prohibited the use of the words "aggression" and "invasion" in the new textbooks in dealing with the Japanese imperialists' conquest of Asia in the past. Worse still, they reduced the number of Korean people who were murdered and injured by the Japanese imperialists at the time of the March first, 1919, popular uprising and who were taken to Japan by them for forced labour.

Noting that this is part of their despicable, shameless moves to veil the bestial crimes committed by the Japanese imperialists against the Asian people in the past and whitewash their history of aggression, the author of a NODONG SINMUN commentary says:

The shameless distortion of history eloquently shows that the Japanese authorities refuse to recognize the past aggressive crimes of the Japanese imperialists and are unwilling to deeply repent of them.

In the new history textbooks of high school they describe patriotic martyr An Chung-kun as a "loafer". The Korean people can hardly repress national indignation at this.

The Japanese reactionaries' insult to An Chung-kun is aimed to approve the aggressive acts of Hirobumi Ito, one of the ringleaders of Korean aggression, and, further, encourage the younger generation of Japan to invade Korea and conquer the whole of Asia, following in his footsteps. The malrevision of textbooks is hastened under the coercion of the government to imbue youth and children with the idea of militarist aggression. This is dangerous developments leading Japan again along the road of fascism and war.

MINJU CHOSON stresses: their distortion of historical facts show that there is no change in the Japanese reactionaries' design for overseas expansion to become the "leader" of Asia and, they are now sharpening the sword of aggression with increasing eagerness.

PAST EVICTION OF U.S. BASE IN LIBYA CELEBRATED

Kim Il-Song Sends Message

SK110252 Pyongyang Domestic Service in Korean 2100 GMT 10 Jun 86

[Text0 The great leader Comrade Kim IL-song has sent a message of greetings to the leader of the Great 1 September Revolution of the Socialist People's Libyan Arab Jamahiriya. On the occasion of the 16th anniversary of the abolition of the U.S. military base in Libya, the great leader Comrade Kim IL-song sent a message of greetings to Colonel Mu'ammarr al-Qadhafi, leader of the Great 1 September Revolution of the Socialist People's Libyan Arab Jamahiriya. On the occasion of the 16th anniversary of the abolition of the U.S. military base in Libya, the great leader Comrade Kim IL-song sent a message of greetings to Colonel Mu'ammarr Al-Qadhafi, leader of the great 1 September Revolution of the Socialist People's Libyan Arab Jamahiriya. The message is as follows:

Your Excellency Colonel Mu'ammarr Al-Qadhafi, leader of the Great 1 September Revolution of the Socialist People's Libyan Arab Jamahiriya: On the occasion of the 16th anniversary of the abolition of the U.S. military base in Libya I, in the name of the Government of the DPRK, the Korean people, and in my own, extend warm [yolyolhan] congratulations to you, to the Socialist People's Libyan Arab Jamahiriya, and to its people. The abolition of the U.S. military base in Libya was an important event which consolidated the successes of the Great 1 September Revolution and greatly encouraged the Third World people in their march along the road of independence against imperialism.

Availing myself of this opportunity to reiterate our firm militant solidarity with the Libyan Arab people in their indomitable, courageous struggle against the U.S. imperialists' burglarious armed invasion and for the defense of the country's sovereignty and national dignity, I sincerely wish you great success in carrying out your just cause.

[Signed] Kim Il-song, president of the DPRK

[Dated] 10 Jun 1986, Pyongyang

Papers Express Support

SK110447 Pyongyang KCNA in English 0435 GMT 11 Jun 86

[Text] Pyongyang June 11 (KCNA) -- Papers today in articles printed upon the lapse of 16 years since the Libyan people abolished a U.S. imperialist air base in their territory and completely ousted the U.S. imperialist aggression forces express solidarity with the struggle of the Libyan people who are advancing under the uplifted banner of independence against imperialism.

A signed article of NODONG SINMUN says that the Korean people are standing firm on the side of the Libyan people and express full support to and firm solidarity with their just struggle.

The revolutionary step of clearing Libya of imperialist aggression forces and military base was a historical event which brought about a radical turn in carrying out the Libyan people's cause of independence against imperialism, the article says, and continues:

Since the victory of the revolution, the Libyan people have effected a great change in the struggle to defend national independence and sovereignty and build a new society under the leadership of Mu'ammarr al-Qadhdhafi, leader of the Great September First Revolution of the Socialist People's Libyan Arab Jamahiriyyah.

Adhering to chajusong and pursuing non-aligned policy, Libya actively strives for a fair solution of the Middle East problem and promotion of the cause of complete liberation of Africa, defending the dignity of the Arab nation and supporting the liberation struggle of the Palestinian people and all other oppressed people.

Recalling that the U.S. imperialists committed without hesitation heinous criminal acts to stifle the leadership of the Libyan revolution and savagely bombed even the capital of Libya, the article says: The U.S. imperialists' armed invasion of Libya was an act of state terrorism.

With no threat or blackmail, could the U.S. imperialists frighten the Libyan people or hold in check their advance.

AGREEMENT ON WORLD FOOD COOPERATION SIGNED

SK110419 Pyongyang KCNA in English 0407 GMT 11 Jun 86

[Text] Pyongyang June 11 (KCNA) -- A basic agreement on cooperation between the Democratic People's Republic of Korea and the World Food Program was signed in Pyongyang on June 9.

The agreement was signed on our side by Kang Sok-chu, vice-minister of foreign affairs and chairman of the National Committee of the U.N. Food and Agriculture Organization of the Democratic People's Republic of Korea, authorized by the DPRK Government, and on the opposite side by Carl Wiberg, representative of the United Nations Development Program in Korea, and WFP representative, authorized by the World Food Program.

JOINT NAVAL EXERCISE WITH U.S. DECRIED

SK100948 Pyongyang Domestic Service in Korean 2151 GMT 7 Jun 86

[NODONG SINMUN 8 June commentary: "A Dangerous Game of Playing With Fire That Disturbs Peace"]

[Text] According to an announcement of the U.S.-South Korea Combined Forces Command, a joint naval exercise of the U.S. 7th Fleet and the South Korean puppet navy is to be conducted in the East Sea of Korea from 8 to 14 June in order to enhance the so-called joint operational capabilities.

Enhancing the joint operational capabilities is anonymous with war whenever the U.S. imperialist aggressors, together with the South Korean puppets, conduct a war exercise of northward invasion. What draws our serious attention is the fact that the U.S. imperialists are mobilizing, in this war exercise, the 7th Fleet which forms the main force of the U.S. Pacific Fleet forces.

The U.S. 7th Fleet is a notorious pirate fleet that was dispatched to the waters off the Korean peninsula within 2 days of the provocation of war during the Korean war in the past and carried out bombardment of our peaceful cities and villages and various other barbarous acts throughout the 3-year war.

It is well-known that the gunboats of the 7th Fleet, whose strategic deployment center has been moved to the East Sea of Korea, are directed against the Korean people today as well. Whenever the U.S. imperialists have conducted the "Team Spirit" war exercises, the test war exercises aimed at launching a surprise attack on our Republic, they have dispatched the U.S. flagship, aircraft carrier, and many other warships of the 7th Fleet and perpetrated dangerous games of playing with fire.

During this year's team Spirit" war exercise as well, with the participation of the carrier "Midway" and other 7th Fleet forces and the puppet warships, a joint landing exercise was conducted on the coast of the East Sea in an atmosphere simulating a real war.

The fact that the U.S. imperialist aggressors are again conducting a joint exercise with the puppets in the East Sea of our country with the aftereffects of the criminal "Team Spirit" war exercise still lingering is a sure proof that they are attaching great importance to Asia, especially the Korean peninsula, in their aggressive world strategy and that they are not hesitating to wage a new aggressive war, a nuclear war, here. This reveals once again the heinous nature of the U.S. imperialists' aggressive ambition against Korea and Asia, and it clearly shows the nature of the military adventurism of the U.S. imperialists against Korea and Asia.

The fact that the U.S. imperialists are conducting a new war exercise, at a time when the entire Korean people and world's people are further raising their voices calling for the withdrawal of the U.S. forces and are desirous of the alleviation of tension on the Korean peninsula and the resumption of North-South dialogue is a grave challenge to opinion at home and abroad. The reckless war maneuvers that are becoming more open with each passing day are a criminal act straining the situation in and around the Korean Peninsula, putting a stumbling block in the way of the resumption of North-South dialogue, and threatening peace in Asia and the rest of the world.

At present, 80 to 90 percent of the U.S. imperialist aggressor forces and the puppet armed forces are deployed in the forward area along the Military Demarcation Line, waiting for an opportunity to wage an attack of northward invasion at any time they choose. With frequent games of playing with fire, fire will break out. Recalling the piratic barbarity committed recently by the U.S. imperialists against Libya at a time when they were pretending to stage a military exercise in the seas off Libya, there is no guarantee that the joint exercise which they are waging in the East Sea of our country will not bring about grave consequences.

By conducting a large-scale joint exercise in the East Sea with the puppets, the U.S. imperialists are pursuing the criminal aim of propping up the Chon Tu-hwan ring, which is experiencing a serious political crisis in the face of the daily growing anti-U.S., antifascist struggle of the South Korean students and people, and goading it into suppression of the people and war clamor, while cowering the South Korean people who have risen up in struggle.

But the U.S. imperialists should know that they can frighten no one with their military adventures and threats. The more the U.S. imperialists and the puppet clique step up their new war provocation maneuvers, the higher the South Korean people will raise the banner of the anti-U.S., antiwar, and antinuclear struggle.

Because of the reckless policy of military adventurism of the U.S. imperialists and the Chon Tu-hwan ring, there is a constant danger on the Korean peninsula that a war could break out at any time. Today, Korea has become a place where the situation is the most tense and acute in Asia.

The Korean people who desire peace in the country and its peaceful reunification will never tolerate the reckless war scheme of the U.S. imperialists and their stooges, nor will the world's peace-loving people tolerate such a scheme.

The U.S. imperialists and the south Korean puppets should squarely see the general trend of the times, act sensibly, and immediately stop the dangerous game of playing with fire disturbing peace in Korea and Asia.

SOUTHERN SURPRISE ATTACK EXERCISE SCORNE

SK101018 Pyongyang KCNA in English 1001 GMT 10 Jun 86

[Text] Pyongyang June 10 (KCNA) -- The Chon Tu-hwan military hooligans staged what they called surprise attack exercise against possible takeover of the Japanese Embassy and other "major buildings" in Seoul by students on June 3, the 22nd anniversary of the June 3 uprising of South Korean students against the reinvasion scheme of the Japanese militarists, according to a South Korean newspaper report.

The exercise that morning began with policemen disguised as students breaking into the chosen building, throwing sham molotov cockgails and elbowing aside the guardsmen.

After the policemen disguised as students forced their way into the compound of the building, riot police stormed there, letting out a cry, and dragged out the "occupiers".

The surprise exercise indicated the uneasiness of the fascist clique frightened by the fierce struggle of people of a strata against outside forces and once again revealed the ugly sight of the pro-U.S. and pro-Japanese flunkeyist traitors estranged from the people.

VNS ENTREATS UNITY OF ANTI U.S. RESISTANCE

SK100819 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT 8 Jun 86

["Notice to the listeners of the Voice of National Salvation and the People" -- read by announcer]

[Text] We issue this notice to the listeners of the Voice of National Salvation of the South Korean National Democratic Front and the people. Embarrassed by the strong anti-U.S. and antidictatorial resistance of our masses, the pro-U.S. Chon Tu-hwan regime is now perpetrating a suppressive operation against the people, a suppressive operation unprecedented in history, in accordance with the new directive of the United States.

At the same time, while talking about constitutional revision, release of the detained people, and enforcement of the local autonomy system in the wake of the so-called Chongwadae talks of leaders of the ruling and opposition parties and the exclusive talks with the opposition party leaders at Chongwadae, the Chon Tu-hwan ring is perpetrating all sorts of maneuvers to dazzle the people and to paralyze the strong anti-U.S. and antidictatorial resistance spirit of the masses through the use of all sorts of flowery words such as politics through dialogue, national consensus, and democratic development. In a nutshell, this is a cunning trick designed not only to obliterate the anti-U.S. and antidictatorial resistance spirit of our masses, which it was unable to obliterate even through the bloody massacre of Kwangju in the past, but also to sever the ties between the people and the opposition parties.

The people throughout the country should enhance their vigilance against this and should unite more firmly than ever before in order to counter the new suppressive offensive of the Chon Tu-hwan ring with a strong resistance. At the same time, they should boldly unfold an operation for saving the arrested patriots and actively protect those patriotic fighters wanted by the police.

In particular, the masses of all strata should not only keenly watch the Chon Tu-hwan ring's maneuvers to divide and alienate the opposition forces and the patriotic masses of all strata and to destroy them one by one, but should also smash this in a timely manner.

People throughout the country: All the people who want independence, democracy, and reunification should more firmly unite as one, overthrow the pro-U.S. Chon Tu-hwan regime through the powerful anti-U.S. and antidictatorial resistance, and establish a new country of independence, democracy, and reunification on this land.

STUDENT ATTEMPT TO OCCUPY U.S. EMBASSY PRAISED

SK110048 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT 7 Jun 86

[Station commentary]

[Text] In this hour, I will talk about the anti-U.S. struggle of the attempt to occupy the U.S. Embassy by the students. As has been reported, Mr Yi Ui-song, a senior at the Environmental Engineering Department of Seoul Municipal College, who attempted to occupy the U.S. Embassy while carrying the Stars and Stripes and leaflets entitled "A Letter of Declaration for the Struggle for the Nation and Democracy" and other leaflets, was arrested in a surprise police check.

According to a police announcement, on the morning of 5 June, Mr Yi attended a meeting of the Eastern District Council of the League of Students for the National and Democracy [Minminhangnyon] held at Tongguk University, and at the meeting, he and some 10 other students of Korea and Hanyang Universities decided to occupy the U.S. Embassy at 1230 on the afternoon of 5 June.

Incidents involving the occupation of official U.S. buildings and installations and the staging of sit-ins there, which are continuing indefinitely following the occupation of the American Cultural Center in Seoul in May of last year, are those that reflect our masses' will and fervent wishes to put an end to the U.S. occupation of South Korea and its colonial rule there, and to build an independent society free from U.S. interference. As an expression of our masses' anti-U.S. sentiment, the recent incident involving the attempt to occupy the U.S. Embassy is part of the anti-U.S. struggle for independence, which is expanding and heightening in this land with each passing day.

As is well known, following the great Kwangju massacre, which was provoked by the 17 May coup d'etat [as heard], a great qualitative change took place in our masses' view of the United States. Even those people who, seized with the idea of revering and respecting the United States, had regarded the United States as South Korea's ally and the South Korean people's one and only friend, began to recognize that the United States is a ruler in South Korea and an enemy of our masses, our nation, and democracy. This is clearly shown in the fact that the struggle to oppose the U.S. military occupation of South Korea and its colonial rule there and to realize national liberation and independence in the society is fervently expanding and heightening with each passing day.

The Kwangju tragedy and the reality of South Korea-U.S. relations, a state that has lasted for more than 40 years in this land, have made our masses clearly realize that it is of no use harboring any illusion or expectations toward the United States. This is why the students and masses of all walks of life in Seoul, Pusan, Taegu, Kwangju, Inchon, Chonju, and various other places across the country, almost daily, took to the streets, staged demonstrations, and chanted the slogan "U.S., go home!" This is also why they successively occupied U.S. buildings and desperately staged sit-ins there, denouncing the U.S. policy of aggression. The recent attempt by some 10 students to occupy the U.S. Embassy was designed to express such an anti-U.S. sentiment of our people.

Even though the struggle plan by the students to display our popular will to oppose the United States and to inspire independence after occupying the U.S. Embassy could not be carried out, their act reflects the public sentiment and represents the aspirations of the nation. This is also a just patriotic struggle worthy of praise. Nevertheless, the Chon Tu-hwan group took Mr Yi Ui-song to the police station and harshly interrogated him. It also totally encircled the U.S. Embassy and frantically strengthened security around it. This again showed its antipopular character running counter to public sentiment; and the pro-U.S. toadyist, and nation-selling character of the current regime which is seeking security in its rule and luxurious lives, while nestling in the White House.

The dictatorial regime that is attempting to maintain its existence by running counter to the masses' aspiration and currying favor with foreign forces will definitely not last long. If it continuously adheres to the reckless plot to seek security in its rule and to extend its rule, while suppressing with guns and bayonets the students and patriotic masses who are desperately shouting "Let us revive the country that was ruined because of the pro-U.S. policies through an anti-U.S. struggle," the Chon Tu-hwan ring will meet an end more miserable than that of its preceding dictators.

BRIEFS

DELEGATIONS LEAVE FOR SOCIALIST COUNTRIES -- Pyongyang June 7 (KCNA) -- A delegation of the Party History Institute of the Central Committee of the Workers' Party of Korea headed by its director Kang Sok-sung left Pyongyang today for a visit to the German Democratic Republic. A delegation of the Korean National Peace Committee headed by Yi Sang-sol, vice-chairman of the Education Commission and vice-chairman of the Korean National Peace Committee, left here on the same day for a visit to the Soviet Union, Poland and Hungary. A DPRK Poultry Industry delegation headed by Kim Ok-chong, director of the General Bureau of State-Run Stock Farm Administration, left here on June 7 for a visit to Cuba. [Text] [Pyongyang KCNA in English 1026GMT 7 Jun 86 SK]

UNC TO RETURN REMAINS OF CHINESE SOLDIERS

SK110044 Seoul THE KOREA TIMES in English 11 Jun 86 p 8

[Text] The U.N. Command is to return the remains of two Chinese soldiers found in different areas of the Republic of Korea recently to the Chinese and North Korean side at the Military Armistice Commission meeting at Panmunjom today, a UNC spokesman announced yesterday. The remains of the Chinese who died during the Korean War would be turned over to the North at the 477th meeting of MAC secretaries, the spokesman said, adding that the northern MAC components were notified on June 5 of the plan.

"Examination of the remains and personal effects found with them led the UNC to conclude that they were Chinese People's Volunteer soldiers," the spokesman said. On June 7, at the regularly scheduled joint duty officers' noon meeting at Panmunjom, the UNC passed military and personal effects recovered with the remains to the CPV side.

3D SOUTH-NORTH OLYMPICS TALKS HELD IN LAUSANNE

ROK Delegation Arrives 9 Jun

SK090902 Seoul CHUNGANG ILBO in Korean 9 Jun 86 p 1

[Correspondent Chu Won-sang, from Lausanne]

[Text] A delegation of the Korean Olympic Committee headed by Kim Chong-ha, senior member, arrived in Lausanne on the morning of 9 June to attend the 3d North-South sports talks, to be held in the headquarters of the International Olympic Committee [IOC] in Lausanne, Switzerland, for 2 days, on 10 and 11 June. The delegation checked in at the Palace Hotel.

The North-South sports talks, arranged this time by the IOC to discuss the issue of North Korea's participation in the Seoul Olympics, are the third such talks, following the talks last October and January of this year.

The North Korean delegation arrived here on 8 June, one day before the South delegation.

Seoul May Offer Events to North

SK110113 Seoul THE KOREA HERALD in English 11 Jun 86 p 1

[Text] Lausanne, Switzerland (YONHAP) -- The head of the International Olympic Committee (IOC), opening the third inter-Korean sports meeting on North Korea's participation in the '88 Seoul Olympics, Tuesday expressed the hope that a progress would be derived from the Lausanne meeting this time. In a terse remark at the opening session of the conference, IOC President Juan Antonio Samaranch said, "The meeting could produce a progress toward certain success."

Olympic officials from South and North Korea gathered around a long oval table Tuesday to begin their meeting, the third round since last October. They last came together in Lausanne last January. At the opening-day meeting, chief Seoul delegate Kim Chong-ha reiterated its earlier position that Seoul, the host city of the '88 Olympics, will remain open to any Seoul Olympic participants including North Koreans.

And they once again addressed North Koreans and others that the question of Pyongyang's participation in the '88 Olympics could be taken up for discussion only after North Korea openly pledges its intention to honor the IOC charters as well as the 1981 IOC approval of Seoul's bid for the Summer Olympic Games in Seoul. Korean officials indicated that Seoul this time will be flexible, even ready to offer some of the Olympic events to the North. Seoul, the South Korean capital, was awarded the Games in 1981, and the Seoul Olympic Organizing Committee has said it will consider any "reasonable proposals" from the North.

In reply, North Korea's Yim Yu-sun reiterated Pyongyang's assertion that it would be fair to "distribute and conduct" in the South and North the '88 Olympic events, letting it be understood that the North has remained stuck to its "co-hosting" demand, but some observers said it was noteworthy that Kim used new term by offering to "distribute the Games" instead of the controversial word of "co-hosting."

The discussions were being held in private and, after the formal opening, in separate sessions between the IOC and each delegation on the first day of the two-day meeting. Samaranch heads the IOC delegation at this week's talks, with other members including the committee's three vice presidents and Shaykh Fahd al-Ahmad al-Sabah of Kuwait, president of the Olympic Council of Asia. From South Korea come Olympic Committee president Kim Chong-ha, vice presidents Chang Chung-sik and Choe Man-nip, and committee members Yi Chong-ha, Im Tae-sun and Nam Chong-mun.

DPRK Rejects Compromise Plan

OW110351 Tokyo KYODO in English 0341 GMT 11 Jun 86

[Text] Lausanne, Switzerland, June 10 KYODO -- North Korea rejected International Olympic Committee (IOC) President Juan Antonio Samaranch's compromise plan on the 1988 Seoul Olympics in the first round of the two-day sports talks between North and South Korea held here Tuesday. Speaking after the first meeting with the IOC, Chin Chung-guk, vice president of the North Korean Olympic Committee, said the content of the plan to let North Korea hold some sports, preliminaries through finals, is unacceptable though he did not name the sports or the number of sports offered.

Chin also denied Western newspaper reports that the communist North has given up the idea of co-hosting the Olympics, adding the nomenclature of the 1988 Olympics and other basic matters also need to be discussed as a package.

While Samaranch, given full discretionary power by South Korea in his troubleshooting effort with North Korea, is said to have offered such sports as table tennis, fencing and archery, the North is understood to have demanded seven to eight sports, including soccer, out of the 23 Olympic sports.

Given the wide gulf between the two sides, the IOC is now said to be shooting for a more modest basic agreement on the number of sports to be staged by North Korea, leaving other problems to be settled at future talks.

After the day's talks, Samaranch said the negotiations were far from satisfactory. A press conference by Samaranch, originally slated to be held directly after the second-day talks, will be delayed considerably as the parties concerned will go into huddles until the last minute to try to avert another rupture of the talks. The past two sessions of talks, held last October and in January this year in Lausanne, ended with the communist North sticking to the idea of co-hosting.

JAPAN DEFENSE OFFICIAL CITED ON DEFENSE PLAN

SK110535 Seoul YONHAP in English 0519 GMT 11 Jun. 86

[Text] Tokyo, June 11 (YONHAP) -- Japan's top defense official said Tuesday that his country is mapping out a contingency plan to defend its three straits and the 1,000-nautical-mile sea route linking Japan, Guam and the Philippines to ensure the safe transport of materials. "Japan has to take defensive actions to ensure the safe transport of materials on the sea," said Koichi Kato, director general of the Japanese Defense Agency. "Therefore, we are considering the defense of the 1,000-mile sea route and the blockade of three straits -- Tsugaru, Soya and Tsushima."

In a press conference with a group of visiting South Korean reporters, Kato said that the contingency measures are for defensive purposes only, in the event of an attack on Japan. "As long as there is no possibility of Japan being attacked, there will be no actions such as blockading the straits," he added. Kato did not mention, however, if the contingency defense plans are aimed at deterring the advance of the Soviet Union's Far East fleet into the Pacific, South Sea and Indian Ocean. He said that military stability on the Korean peninsula is "a matter of great interest" to Japan. "Japan evaluates highly the South Korean Government's efforts to reduce tensions on the peninsula and hopes that the military tension on the peninsula will be resolved at an early date, he said. Regarding the increase in the exchange of visits by high-ranking Japanese and Chinese defense officials, Kato said that the Japanese Government views the improvement in relations with China as an important issue because China has great influence in the maintenance of stability in Asia. "However, Japan is not considering military cooperation with countries other than the United States at the present stage," he said. Kato said that the Japanese Government is now trying to hold fast to the defense spending ceiling of one percent of its gross national product, which was set in 1976. "But if the government finds it unavoidable to exceed the limit in the future, we will carefully consider it, respecting the opinion of the public and the parliament," he added. Kato pointed out that Japan's has no intention of attacking any other nation, and therefore, it will not be a military superpower or possess nuclear weapons." Japan has no long-range bombers or aircraft carriers, he added.

CONTROVERSY OVER JAPANESE TEXTBOOK CONTINUES

Government Preparing Action

SK110046 Seoul THE KOREA TIMES in English 11 Jun 86 p 8

[Text] The government is preparing an action against the reported Japanese move to approve a new history textbook, on the grounds that the text is filled with distorted accounts regarding the past relations between Korea and Japan. Government sources said now the government is documenting distorted parts in the new textbook. The new history textbook was prepared by a nationalist group in Japan. The draft of the textbook was already screened and passed by a committee of Japan's Education Ministry. The government action of urging Japan to set the records straight will be made through diplomatic channels.

The sources took note of the fact that the Japanese government promised to correct distorted parts in textbooks being used in 1982 when a similar issue concerning textbooks flared up. Reports from Japan have it that the new history textbook covered up most of the cruelties and savageries against Korea and other Asian countries before and during the World War II. Meanwhile, the International Human Rights League of Korea yesterday sent a letter to Japanese Prime Minister Yasuhiro Nakasone, criticizing the alteration of historical facts concerning its colonial rule as a "cunning scheme to beautify its past wrongdoings."

Rights Group Write Nakasone

SK110413 Seoul YONHAP in English 0256 GMT 11 Jun 86

[Text] Seoul, June 11 (YONHAP) -- The International Human Rights League of Korea Tuesday sent an official letter to Japanese Prime Minister Yasuhiro Nakasone, criticizing Japan's renewed attempt to distort historical facts in its high school textbooks.

In the letter, the league said that the Korean people cannot sit by idly watching the Japanese effort to gloss over its invasion of Korea and subsequent colonial rule (1910-45) because such an action infringes on Korea's sovereignty and blasphemes Korea's spirit of independence and national identity. "Friendly relations between Seoul and Tokyo are possible only on the premise that the Japanese Government recognized the historical crimes it committed during its colonial rule over Korea," the letter continued.

In addition, Korea cannot condone Japanese textbooks' descriptions of a Korean independence fighter, An Chung-kun, as a "hoodlum" it said. An assassinated Hirobumi Ito, a Japanese governor-general who was an architect of Japan's annexation of Korea.

The letter warned that Japanese efforts to rewrite history in a distorted manner will only bring greater misfortune upon themselves. Four years ago, Japan made a similar attempt to cover up its past wrongdoings, provoking sharp protests from Asian nations, including Korea and China. At the time, the Japanese Government promised to rectify any erroneous or misleading descriptions in Japanese history textbooks.

MIDDLE EAST TO PAY FOR CONSTRUCTION WITH OIL

SK110606 Seoul YONHAP in English 0556 GMT 11 Jun 86

[Text] Seoul, June 11 (YONHAP) -- Choe Chang-nak, South Korean minister of energy and resources, said Tuesday that his ministry has decided to receive crude oil from some oil-producing countries in the Middle East as payment for construction projects completed by Korean firms. The receipt of crude oil would be one way to settle the accounts receivable stemming from the Korean companies' overseas construction projects, according to Choe, who said that his ministry would have no reason to oppose that method of payment if the crude oil is provided at a reasonable price.

Korean officials from the Economic Planning Board and the Ministries of Finance, Construction, and Energy and Resources have discussed the matter of receiving the payments in the form of crude oil in view of the fact that the oil-producing nations have had trouble paying for the construction projects as a result of the recent fall in oil prices, Choe said.

In a meeting with reporters in his office, the energy and resources minister said, "Construction fees that oil-producing nations have declined to pay, due to fraudulent work, will not be settled in such a way, however."

The Construction Ministry has reportedly asked the energy-resources ministry to accept proposals made by Saudi Arabia and Libya that they pay Korea for the construction work with crude oil. The uncollected construction fees total 2.13 billion U.S. dollars, according to the Construction ministry.

Choe also said that his ministry is considering negotiating for a reduction in the price of liquefied natural gas (LNG) which Korea earlier agreed to import from Indonesia, because the price of LNG was set before the price of oil began to plummet on world markets. Choe said that the Korean company that is working on an oil development project in Indonesia's Madura Sea zone should consider pulling out of the project without hesitation if the zone proves to be unviable in terms of oil and gas production.

USFK KOREAN EMPLOYEES RESUME TALKS OVER WAGE HIKE

THE KOREA HERALD Report

SK110122 Seoul THE KOREA HERALD in English 11 Jun 86 p 8

[Text] Representatives of the Korean employees working for U.S. Forces Korea (USFK) and U.S. officials yesterday resumed their negotiations over a layoff plan, a wage hike for Korean employees and other issues at the Eighth U.S. Army Headquarters in Seoul. Kang In-sik, president of the USFK Korean Employees Union, said both sides tried to seek a compromise over the issues but failed to reach any agreement during two rounds of talks in the morning and afternoon. They will meet again today.

The negotiations were continued after nine days of recess as Gen. William J. Livsey, commander of the USFK, returned to Korea Monday after visiting his country where he reportedly discussed the union's demands with relevant officials.

Kang said, "I will do my best to yield good results. But the prospect is not so bright, as the U.S. side does not present any clear-cut stance on our proposals."

Koreans working for the USFK once went on a brief strike late last month, demanding a 14.25 percent pay raise, the abolition of a plan to lay off 760 Korean employees and the improvement of working conditions. Korean employees called off the strike in 12 hours and returned to work with an agreement that negotiations would continue.

U.S. authorities were earlier quoted as saying the manpower reduction is inevitable because of the overall cut in the U.S. armed forces budget, while the 14.25 percent wage hike is not feasible.

U.S. To Reconsider Layoff Plan

SK110621 Seoul YONHAP in English 0609 GMT 11 Jun 86

[Text] Seoul, June 11 (YONHAP) -- Officials of the U.S. Forces Korea (USFK) -- Wednesday agreed to reconsider a plan to lay off 760 Koreans who work for the USFK. The decision was part of a five-point interim agreement between representatives of the Korean employees' union and USFK officials. The accord came two weeks after the trade union staged a one-day strike triggered by the announcement of the U.S. layoff plan.

Under the agreement, USFK Officials will try to reduce to 202 the number of Korean employees to be laid off. The agreement also stipulates that the U.S. Eighth Army should not take actions against the workers who played leading roles in the May 29 strike involving some 18,000 Korean workers. In addition, the two sides agreed to resume negotiations over the wage issue after two weeks. The union has demanded a 14 percent pay hike, but the USFK has offered to increase wages by only 6.8 percent.

MORGAN BANK SAYS 'OVERESTIMATED' CAPITAL FLIGHT

SK110242 Seoul YONHAP in English 0204 GMT 11 Jun 86

[Text] Seoul, June 11 (YONHAP) -- The Morgan guaranty Trust Co, in response to the Korean Government's demand that it explain high estimations of Korea's capital flight over the past decade, expressed regret for "any misunderstanding that may have occurred." In a message of explanation sent Monday to Korean Finance Minister Chong In-yong, Morgan guaranty said, "The bank's intention in the March issue of WORLD FINANCIAL MARKETS was to analyze the problem of capital outflows from borrowing countries in general, and in this context comparative statistics were included for a number of countries." In the March issue, the bank reported that an estimated 198 billion U.S. dollars had fled 18 developing countries, including Mexico, Venezuela, the Philippines and Korea, between 1976 and 1985. The bank estimated that Korea's cumulative capital flight over the past ten years totaled nearly 12 billion dollars.

Morgan Trust explained in the message, "While Korea was not specifically discussed in the text of the article, Morgan regrets any misunderstanding that may have occurred." The message went on to say, "As noted in the March article, certain transactions normally included in standard calculations of capital outflows, such as export credits, do not constitute capital flight in the usual sense of the term." "More recent data also indicate that net capital outflows may have been somewhat overestimated in the article," the bank continued. "It is clear that in relative terms, capital outflows from Korea have been comparatively modest."

At the end of May, the Finance Ministry, pointing out that Morgan's report took into account a large volume of normal capital trade in Korea's estimated net capital flight in the cited period, asked the bank to explain the mistakes in detail in the report.

According to Korea's central bank, the Bank of Korea, the calculation of Korea's capital flight included such normal capital transactions as short-term and long-term trade credits to foreign importers, capital contributions to the World Bank, the International Monetary Fund (IMF) and the Asian Development Bank (ADB) and overseas investments made by domestic banks and business enterprises.

In the message, Morgan further pointed out that in the March 1984 issue, which was devoted entirely to the Korean economy, world financial experts observed that "there is much in Korea's experience that other countries can usefully seek to emulate."

FRENCH STATE SECRETARY FOR FOREIGN AFFAIRS VISITS

Arrives in Seoul 7 Jun

SK071242 YONHAP in English 1235 GMT 7 Jun 86

[Text] Seoul, June 7 (YONHAP) -- Didier Bariani, French secretary of state for foreign affairs, arrived in Seoul Saturday for a four-day official visit to mark the centennial of the establishment of relations between Seoul and Paris. Shortly after he arrived at Kimpo International Airport, Bariani told reporters that relationship between Korea and France will be extended in every field including trade and exchange of industrial technology. "I believe that the relationship between Seoul and Paris which marks the centennial this year will be broadened particularly in economy, trade, industry and exchange of technology," Bariani said.

Noting that last April's visit by President Chon Tu-hwan to Paris narrowed the distance between the two nations, the French secretary said that French Government leaders including President Francois Mitterrand and Prime Minister Jacques Chirac are much interested in the deepening of the bilateral relations.

While in Seoul, Bariani will convey to Chon messages from Mitterrand and Chirac and meet with Foreign Minister Yi Won-kyong and National Unification Minister Pak Tong-chin. He will also attend the Korean-French economic symposium to be opened Monday at Hotel Shilla and inspect the truce village of Panmunjom in the Demilitarized Zone dividing South and North Korea.

Predeparture Press Conference

SK100928 Seoul YONHAP in English 0921 GMT 10 Jun 86

[Text] Seoul, June 10 (YONHAP) -- Didier Bariani, French secretary of state for foreign affairs, said Tuesday that France wholly supports South Korea's policy for unification of the Korean peninsula. In a news conference held at the French Embassy here before his departure, Bariani said that France also supports South Korea's efforts for its simultaneous entry with North Korea into the United Nations, including South Korea's seeking direct dialogues with Pyongyang.

The French secretary arrived in Seoul Saturday for a four-day official visit to mark the centennial of diplomatic relations between Korea and France. While here, Bariani led 27-member French delegation for a conference on Korea-France economic cooperation held at the Shilla Hotel here June 9-10.

Through his meetings with Korean Government leaders, including President Chon Tu-hwan, Deputy Prime Minister Kim Man-che and Foreign Minister Yi Won-kyong, the two countries further strengthened bilateral ties, Bariani said. He said that Chon's visit to Paris last April also helped deepen the relations between the two countries. Saying that he was surprised at Korea's dynamic development, greater than he expected, Bariani added that when he toured the truce village of Panmunjom, he felt keenly the reality of the divided Korean peninsula.

THE KOREA TIMES VIEWS KBS REORGANIZATION STEPS

SK100033 Seoul THE KOREA TIMES in English 10 Jun 86 p 4

[Editorial: "Remedy for KBS Operation"]

[Text] Noteworthy is a package of measures designed to renovate the overall operation of and, particularly, to ensure balanced and objective news reporting and programming by the Korea Broadcasting System (KBS) as a public-run radio-television media. Included in the extensive remedial steps to this effect was the government's move to appoint three lawmakers recommended by rival political parties to the KBS advisory board as part of its endeavors to guarantee balanced news reporting in the eyes of its audience.

The drastic remedial move for the KBS program was announced by the Ministry of Culture and Information over the weekend, in the wake of heated controversies among the people over the allegedly "biased and unfair" news reporting on the state-run media, which had touched off a campaign to boycott the payment of subscription fees and to reject viewing its programs. Along with the new measure, the government is also to strengthen the supervisory role of the Korean Broadcasting Commission (KBS) concerning KBS management, program production and news reporting.

At the same time, the function of the KBS advisory board will be invigorated to make closer surveillance, as well as suggestions with binding force, on KBS programs in order to promote the fairness of news reports. The board is required to report the results of its activities to the KBC, which in turn will come under the watch of the National Assembly. Aside from the lawmakers, the members on the advisory board will be selected by KBC from among those recommended by various functional circles, with the number of members to increase from the present 21 to 30, according to the new scheme.

The comprehensive reform program for KBS provides that the KBS-TV will phase out "block spot commercials" shown during prime time from next month. Yet, KBS will continue commercials for sports and public campaigns till 1988, the year the nation is to host the Olympics in Seoul.

Initial public reaction to the latest remedial measure for KBS seems to be affirmative to a certain extent. Nevertheless, there are those people who are still dubious or skeptical about the real outcome of the renovation measure, despite the government pledge to secure impartial news reporting. Accordingly, more convincing the KBS audience and the general public would be the legal arrangements made to institutionalize fair and balanced news reporting and streamline management in this regard, free from excessive government influence even on a gradual basis, so as to make KBS a public broadcasting agency in a truer sense.

YI MIN-U TALKS TO SNU STUDENT LEADER ON REVISION

Explain NDP Stand

SK100036 Seoul THE KOREA TIMES in English 10 Jun 86 p 4

[Text] A student of Seoul National University yesterday visited opposition New Korea Democratic Party president Yi Min-u at the NDP headquarters to convey SNU students' assertions with regard to constitutional revision. He was Hwang I-su, acting president of the SNU student association.

Yi met the student for half an hour from 9:30 a.m. Hwang questioned why the NDP softened its stand and sought compromise with the ruling party on the constitutional amendment. He also asked about some "dubious" remarks by opposition leaders, which were reported in newspapers.

Yi told the visitor, "Politics cannot be done with emotion alone. As you know, we could not utter a word about the constitutional revision until rather recently, but we can say anything freely about it now. I think that all this is the result of politicians' efforts."

Hwang presented a statement issued in the name of the SNU student association, which made a six-point demand, including one request that the NDP should strive to have the direct presidential election system adopted in a new Constitution.

Student Stages Solo Sit-In

SK110055 Seoul THE KOREA TIMES in English 11 Jun 86 p 8

[Text] A student of Seoul National University is carrying out a solo sit-in at the head office of the opposition New Korea Democratic Party, asking the party to stick to its position of pushing ahead with the direct election of the President through Constitutional amendment.

He is Hwang I-su, acting chairman of the student council of the university. He is one of the students police want for taking leading roles in various anti-government rallies.

He entered the NDP headquarters building Monday and was granted a meeting with NDP President Yi Min-u, in which he conveyed the aforementioned positions, asking the party to make public its real position regarding the direction of the party's constitutional amendment as well as the blanket release of "political" prisoners. He has since refused to leave the NDP headquarters.

PROSECUTION TO DETAIN MUN IK-WAN 10 MORE DAYS

SK110052 Seoul THE KOREA TIMES in English 11 Jun 86 p 8

[Text] The Seoul District Prosecution has decided to extend by 10 days the detention period for Rev. Mun Ik-hwan, chairman of the United People's Movement for Democracy and Unification (Mintongnyon), to more concretely substantiate its charges against him. Mun was arrested for his alleged role in the rioting in Inchon and agitation of student activism on the campus of Seoul National University last year.

COURT ACQUITS STUDENT LEADERS OF PROTEST CHARGES

SK110058 Seoul THE KOREA TIMES in English 11 Jun 86 p 8

[Text] A judge at a district court in Suwon, Kyonggi-do, acquitted three students Monday of charges of leading a campus demonstration demanding a constitutional amendment to provide for direct presidential elections. Judge O Sang-hyon said in the ruling that their call for constitutional revision did not necessarily define their assembly as one "designed to foment remarkable social unrest." The sentence is the first formal acquittal for student defendants arrested and indicted for participation in campus protests.

With the Monday ruling, the three student defendants, Ko Tuk-song, 23, Kim Kum-myong, 23, and Paek Yong-ok, 24, were released from the Suwon Prison late on the day. The students, all from the Suwon campus of Songgyungwan University, were arrested after they played a leading role in a campus demonstration on March 8, calling for election reforms and the resignation of the current regime.

"The defendants are found to have staged the campus protest in a peaceful manner, not resorting to throwing rocks nor petrol bombs," Judge O ruled. The ruling also said that furthermore, their voices for election reforms can be acceptable in that the current developments are headed toward a constitutional amendment.

CHAN SENG-LED DELEGATION RETURNS FROM MPR

BK100618 Phnom Penh SPK in French 0452 GMT 10 Jun 86

[Text] Phnom Penh, 10 Jun (SPK) -- The KPRP delegation led by Chen Seng, alternate member of the Political Bureau and vice chairman of the Central Control Commission of the KPRP, yesterday returned to Phnom Penh after attending the 19th MPRP Congress recently held in Ulaanbaatar. During his stay, Chan Seng was received by Jambyn Batmonh, general secretary of the MPRP Central Committee. At this meeting, on behalf of the Cambodian party, Government, and people, Chan Seng expressed his warm congratulations to the Mongolian leader on the latter's reelection. For his party, Jambyn Batmonh said he totally supports the Cambodian people's struggle. At the 19th MPRP Congress, Chan Seng made a speech. He also laid a wreath at the Sukhe Baatar Monument and other memorials in the Mongolian capital.

COVERAGE OF RETURN OF 'MISLED' PERSONS

2,038 in Past 5 Months

BK060639 Phnom Penh SPK in French 0400 GMT 6 Jun 86

[Text] Phnom Penh, 26 Jun (SPK) -- During the first 5 months of this year, 2,038 misled persons left sanctuaries on Thai territory and returned to the revolution.

According to statistics provided by the Proselytizing Committee, the returnees -- 65 percent of them from the Pol Pot group, 20 percent from the Son Sann group, and 15 percent from the Sihanouk group -- handed over 1,237 assorted weapons to revolutionary authorities. Some of the returnees were battalion and company commanders.

This figure already represents more than half of that registered in all of 1985. Once returned to the fold, these returnees spoke about their hard life in the jungle due to the shortage of foodstuff and medicine and the constant fear of death during their intrusions. They have received from the people's revolutionary authorities a piece of land and consumer goods and enjoyed every civil right in order to start their new life. Some of these rallied men voluntarily undertook to persuade their companions still among enemy ranks to return.

According to the Proselytizing Committee, the increasing number of returning men is due partly to the active participation of the masses in spreading the 6-point clemency policy of the Cambodian party and state; and partly due to the disastrous disintegration of the Cambodian reactionaries since their severe defeat along the Cambodian-Thai border in the 1984-85 dry season.

It should be recalled that the Proselytizing Committee, founded in 1984, has 11 members and is directed by Bou Thang, member of the KPRP Central Committee Political Bureau, vice chairman of the Council of Ministers, and defense minister.

Many Returnees in Siem Reap

BK110424 Phnom Penh Domestic Service in Cambodian 1300 GMT 10 Jun 86

[Text] Last May, almost 300 misled persons surrendered in groups or individually to various localities in Siem Reap-Oddar Meachey Province.

Among these returnees were a battalion commander, two company commanders, and two platoon commanders. They brought with them a total of 163 assorted weapons and a lot of war materiel. Furthermore, deprived families have persuaded another 14 misled persons to return to the fold. Currently, enemy soldiers and their commanders have a deeper understanding of the 6-point clemency policy of the party and state. They also have firm faith in the Cambodian revolution and are deserting the enemy ranks.

62 Surrender in Battambang

BK110655 Phnom Penh Domestic Service in Cambodian 0430 GMT 11 Jun 86

[Excerpt] Between early January and mid-May, 62 misled persons returned to state authorities and people in Bavel District, Battambang Province. Among the returnees were 49 Sereika soldiers and 13 Pol Pot soldiers. They brought with them an assortment of 54 weapons and war materiel.

REPORTAGE ON CHEA SIM VISIT TO SIEM REAP

Visits Combatants, Monks

BK071105 Phnom Penh Domestic Service in Cambodian 1300 GMT 6 Jun 86

[Text] A high-ranking delegation of the KUFNCD National Council led by Comrade Chea Sim, Political Bureau member of the KPRP Central Committee and chairman of the National Assembly and of the KUFNCD National Council, on 2 June paid a visit to cadres and combatants of Siem Reap-Oddar Meanchey Province. During its stay in the province, the high-ranking delegation was warmly received by Comrade Neou Sam, alternate member of the KPRP Central Committee and secretary of the province's provisional party committee, and cadres and personnel of offices and units throughout the province as well as several cadres and combatants of the local armed forces. The delegation also attended the sixth Buddhist clergy congress of Siem Reap-Oddar Meanchey Province.

Addressing the congress, Comrade Chea Sim highly appreciated the participation of all Buddhist monks in the triple revolutionary movement, especially in the proselytization of the misled persons, persuading them to return to their families and the revolution. He stressed that despite successes, we must heighten our revolutionary vigilance, for the counterrevolutionary enemy continues to seek by all means to sabotage our revolution.

He went on to say that the victories achieved by the monks are attributable to the aggregate strength of the masses in all strata. Therefore, all the good experiences displayed during the congress must be developed and be realistically implemented in the localities in contribution to the defense of the fatherland and to bringing prosperity to it so that it can advance step by step toward socialism.

Attends Meeting on Achievements

BK080601 Phnom Penh Domestic Service in Cambodian 0430 GMT 8 Jun 86

[Text] A meeting was held on 5 June at the pedagogic and critique school in Siem Reap-Oddar Meanchey Province to sum up the outcome of the dry-season campaign and set targets for implementation in the 1986 rainy season.

The meeting was presided over by Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and of the KUFNCD. Present at the meeting were Comrade Neou Sam, alternate member of the party Central Committee and secretary of the Siem Reap-Oddar Meanchey Province's provisional party committee; the comrades from the command of the fourth region; and cadres and personnel from various provincial and district offices and units.

The participants listened attentively to the report summing up outcome of the campaign which relected the great efforts of cadres, personnel, combatants, and people in the province in carrying out the local defense and construction work. In the defense work, in the 1985-86 dry season, they put out of action 2,511 enemies, including more than 700 killed, more than 560 wounded, 25 captured, and more than 1,300 forced to surrender to the revolutionary authorities. [figures as heard] Those who surrendered brought along 700 weapons. On the agricultural field, they planted more than 3,700 hectares of dry-season rice and planted hundreds of hectares of subsidiary food crops.

The participants also discussed and exchanged experiences on various matters. They also agreed on all targets set for implementation in this year's rainy season.

Speaking on that occasion, Comrade Chea Sim called on all participants to heighten revolutionary vigilance in order to attack in a timely manner and frustrate all espionage activities and psychological warfare schemes of the enemies of all stripes. He called on them to strive to strengthen and develop the militia units and enhance national unity and internationalist solidarity, particularly solidarity with the Vietnamese friends, in order to advance toward achieving greater victories in the cause of local and national defense and construction toward socialism.

THAI AIR, SEA 'VIOLATIONS' IN MAY REPORTED

BK071300 Phnom Penh SPK in English 1113 GMT 7 Jun 86

[Text] Phnom Penh SPK June 7 -- In May, Thai aircraft of L-19, A-37, F-111 types and helicopters made 78 reconnaissance flights from 2 to 15 km inside the Kampuchean territory.

The flights were conducted over the areas of the tri-border intersection of Kampuchean Laos and Thailand, the Preah Viheard temple, Anlung Veng, Ampil, Yeang Dangkum, Poipet, O Da and other places along the Kampuchean-Thai border.

On sea, Thai armed vessels on 757 occasions intruded into Kampuchean waters from 5 to 35 miles off Koh Kong, Koh Tang and Poulo Wai islands. Noticeably, on May 7, two Thai armed vessels many times operated in Kampuchean waters, 10 to 20 miles northwest of Koh Kong.

In the same period, many Khmer reactionary groups, from their Thai-based sanctuaries, infiltrated into the country for sabotage activities against the peaceful life of the Kampuchean people.

The Kampuchean Armed Forces, in cooperation with the Vietnamese Army volunteers, duly intercepted the enemy, putting 755 intruders out of action including 115 captured, and seizing 324 assorted weapons, one tonne of munitions, 144 mines.

Worthy of note is that among the 755 put-out-of-action enemy troops, 453 were wiped out by Kampuchean combatants themselves.

COMMENTARY ON THAI 'SLANDER' ABOUT SRV SHELLING

BK070307 Phnom Penh Domestic Service in Cambodian 1300 GMT 6 Jun 86

[Station commentary: "A Threadbare, Groundless Slander"]

[Text] Being by nature a bunch of dupers of the public, the ultrarightist circles of the Thai authorities recently fabricated threadbare, groundless slander alleging that the Vietnamese Army volunteers in Cambodia had fired artillery shells into the so-called refugee camp No 8 in Thai territory. How perfidious these lies can be!

As is widely known, whenever they are vigorously condemned by the public for their violations of the PRK's territorial integrity and sovereignty, the Thai ultrarightist ruling circles reveal their true nature by fabricating this or that excuse to cover up their own ugly features and fool the public. They frequently make up stories about Vietnamese Army volunteers in Cambodia violating Thai territorial integrity. However, along with the support it gives to the activities of the remnant Pol Potson Sann-Sihanouk bandits who are opposing the rebirth of the innocent Cambodian people, Thailand constantly violates the PRK's sovereignty and territorial integrity on the ground, in the air, and at sea. In fact, within 1 week, from 16 to 23 May 1986, Thailand sent L-19s, F-111s, A-37s, and helicopters to conduct 40 reconnaissance flights -- an increase of 31 flights -- 2 to 15 km deep into Cambodia's airspace over the sectors of the junction of the three borders, Perah Vihear temple, the area north of Anlung Veng, Southwest Ampil, Yeang Dangcum, Poipet, Soda, west O Da, northwest Kamrieng, the end of Route No 56, and other areas along the Cambodian-Thai border. At sea, a total of 129 entries by Thai vessels were reported in areas between 10 and 70 km from Kaoh Kong, Kaoh Tang, and Poulo Wai islands. On land, with Thai backing, the Cambodian reactionaries infiltrated Cambodian territory on several occasions in order to conduct sabotage activities and rob and kill the Cambodian people along the border areas. However, our Cambodian Border Defense Forces put out of action 254 intruders, including 115 killed, 22 taken prisoner, and 117 forced to surrender. Our Border Defense Forces also seized 103 assorted weapons and a quantity of war materiel. This is clear and irrefutable proof of Thai violations of PRK territorial integrity.

The PRK and the SRV in particular and the three Indochinese countries in general desire to coexist as good neighbors with Thailand and all other countries in this region. This is clearly defined in the communique of the 12th conference of the three Indochinese foreign ministers. On the contrary, Thailand has turned a deaf ear to and continued to openly oppose the goodwill of the three Indochinese countries. The Thai authorities have tied themselves tightly to the chariot of war of the Beijing Chinese and U.S. imperialists and sold out their land for use by the Beijing expansionists and U.S. imperialists -- their masters -- as a springboard in serving their expansionist design against Southeast Asia. The ultrarightist circles of the Thai authorities and the Beijing reactionary rulers have often exchanged visits in order to seek means for realizing their dark designs. Moreover, when Weinberger visited Thailand in April, the Bangkok ultrarightist group agreed to let the United States set up an arms stock on Thai soil despite the strong opposition of the progressive public opinion in the regional and even the Thai people. Worse still, the Thai authorities have colluded with the U.S. imperialists in conducting recent exercises codenamed "Logex 29" along the Cambodian-Thai border and will conduct another exercise codenamed "Cobra Gold-86" later.

It is widely known that the Thai ultrarightists are the ones who provide shelter for and foster the remnant Pol Pot-Son Sann-Sihanouk bandit groups at the order of the Beijing expansionists. After these bandits suffered serious defeats during the 1984-85 dry season and underwent internal conflicts, the Thai authorities hurriedly hustled for help and begged the U.S. imperialists to help reconcile these disputing groups.

This clearly proves that the Thai ultrarightist circles have never abandoned their design to annex the Indochinese countries and their opposition to the PRK.

During more than the past 7 years, the PRK has advanced firmly in all aspects. All the perfidious maneuvers of the enemies who have waged an undeclared war against the PRK have been thoroughly trampled upon. The KPRAF have gained a firm footing along the Cambodian-Thai border. All of this has provided facilities for the fifth partial withdrawal of the Vietnamese Army volunteers from Cambodia. World public opinion in this region and elsewhere throughout the world has welcomed and praised the good will, love, and respect for each other between the two governments of Cambodia and Vietnam. Obviously, the Thai authorities' abject slander is just a groundless fabrication to deceive the world public and conceal Thailand's dark design regarding the so-called Cambodian problem. This slander also aims at concealing Thailand's dark design to exploit the problem of refugees for its own benefit, obstruct the trend of dialogue in the region, and maintain serious tension along the Cambodian-Thai border.

Like the SRV and LPDR, the PRK has repeatedly declared that we always respect the sovereignty and territorial integrity of other countries. However, we have the right to protect ourselves and to retaliate against any hostile act. Therefore, Thailand must be responsible for its hostile acts and must immediately put an end to these acts for the sake of peace and security in this region.

SON SANN MEETS WITH FRENCH ASSEMBLY PRESIDENT

For reportage on the talks in Paris of CGDK Prime Minister Sonn Sann, including his meeting with French National Assembly President Jacques Chaban-Delmas, see the France section of the 10 June Western Europe DAILY REPORT and subsequent issues.

KAYSONE PHOMVIHAN GREETES MPR'S JAMBYN BATMONH

BK071151 Vientiane KPL in English 0902 GMT 7 Jun 86

[Text] Vientiane, June 7 (KPL) -- Kaysone Phomvihan, general secretary of the LPRP Central Committee has sent a congratulatory message to Jambyn Batmonh, general secretary of the Mongolian People's Revolutionary Party on the occasion of his reelection as a general secretary of the MPRP.

The message states:

"On behalf of the LPRP Central Committee and on my own name behalf, I am very glad to send best wishes and warmest congratulations to you on the occasion of your being reelected on the general secretary of the MPRP.

"I would like to wish you good health and success in heading the Mongolian people to score bigger and greater achievements in their work of socialist construction and national defence and for peace and socialism."

PASASON CALLS FOR THAI RESPONSE TO BORDER TALKS

BK090439 Vientiane Domestic Service in Lao 0000 GMT 7 Jun 86

[7 June PASASON "article": "Thai Side Must Respond to Urgent Aspirations of Two Peoples of Thailand and Laos"]

[Text] Yesterday the LPDR Foreign Ministry issued a statement on Lao-Thai relations on the occasion of the 2d anniversary of the acts committed by the Thai ultrarightist reactionaries in sending a large number of regular troops to invade, nibble at, and occupy three Lao villages -- Ban Mai, Ban Kang, and Ban Savang in Paklai District, Sayaboury Province -- on 6 June 1984.

The statement emphasized the crime committed by the Thai ultrarightist reactionaries, commanded by General Athit Kamlang-ek, supreme commander and former army commander in chief of Thailand, against the Lao people in the three villages. It also clearly pointed out movements of Thai troops along the Thai-Lao border -- movements that constitute preparation for a new aggression against Laos' Sayaboury Province.

Meanwhile, the statement affirmed the Lao side's attitude and correct, consistent stand regarding the peaceful settlement of problems on Thai-Lao relations, caused by the dirty hands of the Thai ultrarightist reactionaries.

Nevertheless, 2 years have passed, and there has been no positive response from the Thai side. The statement once again clearly pointed to the Lao side's stand and good will announced in the Foreign Ministry's 6 June 1985 statement in which Laos proposed that the Kingdom of Thailand appoint its governmental delegation to hold talks with its Lao counterpart either in Bangkok or Vientiane. This clearly shows the stand and correct, consistent, and constructive proposal of the Lao side, which has always done its best to resolve and quickly normalize Thai-Lao relations, aimed at safeguarding and developing the tradition of fraternal relations between the peoples of the two countries.

If the Thai side is sincere as indicated in its statement that it really wants to improve the bilateral relations in the spirit of fraternity, it is not too late for the Thai side to respond reasonably to the Lao side's proposal that the Foreign Ministries of the two sides appoint their officials to meet and discuss right away and work out all necessary preparations to ensure success for the bilateral meeting and talks at the governmental level in accordance with the urgent aspirations of the peoples of the two countries, who always want a quick normalization of Lao-Thai relations.

To respond to the urgent aspirations of the Lao and Thai peoples, there is only one way -- that is, the Thai side must agree to accept for consideration and sincerely respond to the correct, reasonable, and constructive proposal advanced by the Lao side.

The Lao people as well as the Thai people and various peace-loving nations in the region and in the world are awaiting with confidence that the Thai side will adopt a correct attitude and give a positive response for the legitimate interests of the Thai and Lao peoples and for the common interests of the various nations in the region and for peace, friendship, and stability in Southeast Asia and the world.

PRESS CONFERENCE HELD TO MARK THAI 'OCCUPATION'

BK071015 Vientiane KPL in English 0909 GMT 7 Jun 86

["Press Conference on Lao-Thai Relations" -- KPL headline]

[Text] Vientiane, June 7 (OANA-KPL) -- A press conference on the 2nd anniversary of the armed aggression and occupation of the three Lao hamlets by the ultra-rightist reactionary Thai military circles was organised here for foreign and local newsmen.

The conference speaker was Bounteng Vongsai, director general of the Lao News Agency (KPL).

Addressing the press conference Bounteng Vongsai pointed out that the seizure of three Lao hamlets by Thai forces two years ago has led to tension between the two countries. Nevertheless, in order to manifest its good will and strive to restore good neighbourly relations, the Lao side has once and again been suggesting that the Thai Government should appoint governmental level delegation to consult with its Lao counterpart for solving this issue as it was stated in a statement released here last year on June 6 by the Lao Foreign Ministry.

Bounteng Vongsai went on to say that two years have passed since then but the relations of the two countries Laos and Thailand are in a state of tension due to hostile acts of Thai ultra-rightist ruling circles. But in order to improve and normalise the relations of good neighbours between Laos and Thailand once again, the Lao government has suggested that the Thai Government appoints officials of its Foreign Ministry as soon as possible, to discuss with its Lao counterpart and prepare for the consultation at governmental level.

Bounteng Vongsai also answered some questions of foreign newsmen concerning Lao-Thai relations.

Documents on the Lao-Thai relations in the past ten years were also distributed to the participants.

PASASON MARKS THAI SEIZURE OF THREE VILLAGES

BK060832 Vientiane Domestic Service in Lao 0000 GMT 6 Jun 86

[6 June PASASON "article": "Two Years of Indignation in Connection With the Incidents in the Three Lao Villages"]

[Text] Today, 6 June, marks the 2d anniversary of the very brutal, barbarous act of the ultrarightist reactionaries in the Thai ruling circles in mobilizing a large number of regular troops to attack and seize three Lao villages -- Ban Mai, Ban Kang, and Ban Savang -- Paklai District, Sayaboury Province, in 1984. The attacks took place not long after the official visit to Beijing of Athit Kamlang-ek, currently Thai Armed Forces supreme commander, who used to hold concurrently the post of Thai Army commander in chief. The attacks began at around 0900 hours with fierce shelling of Lao territory to pave the way for many battalions of Thai troops to occupy the three Lao villages, thus inflicting heavy losses in life and property on the local people. Later, on 7 June, Thai troops also intruded into Ban Na Fai village, which is some 2 km from the Thai-Lao border. They then raised the Thai flag over the villages they had occupied. They also forced the local Lao people to learn and speak the Thai language. Worse still, they even herded the Lao people from those villages into Thai territory.

These are considered an arrogant and open encroachment upon the sovereignty and territorial integrity of the LPDR, a violation of the Thai-Lao and Lao-Thai joint statements of 1979, and an act sabotaging the relations of neighborly friendship between the Thai and Lao peoples. Such acts run counter to the interests of the two peoples, who have always wished to maintain peace and good-neighborly relations. Following the brutal acts of the Thai ultrarightist reactionaries who have pursued pan-Thaism at the behest of the Beijing big-nation expansionists-hegemonists, Thailand has been isolated and strongly denounced by the peace- and justice-loving public and by nations all over the world. This was clearly shown in the 1984 UN General Assembly session. In shame the Thai side was compelled to announce at the UN General Assembly on 2 October 1984 that it would withdraw all Thai troops from the three villages. However, no matter what nice and sweet words they used, in practice the ultrarightist reactionaries in the Thai ruling circles have continued mobilizing their troops to remain on various peaks in the area of the three Lao villages. The Thai side has continued to prevent the Lao people of the three villages, who were forcedly herded into Thai territory, from returning to their native land. It also avoided paying compensation while rejecting the Lao side's proposal to resume Lao-Thai talks to resolve the remaining problems regarding the three Lao villages.

Nevertheless, the Lao side has always adhered to its correct and reasonable stand and attitude on the basis of the policy of establishing and promoting relations between Thailand and Laos. The Lao side has always adhered to the principles of settling disputes in relations between the two countries peacefully. This has been clearly shown in the statements issued on various occasions by the LPDR Foreign Ministry, in particular the letter dated 1 July 1985 of Phoun Sipaseut, minister of foreign affairs of the LPDR. But, it is regrettable that the Thai side has tried to avoid accepting the sincere and creative proposal of the Lao side by playing on words and raising various issues as a pretext to announce unilaterally the suspension of the talks. It later proposed talks at the local level as its justification, and so forth.

Along with using various pretexts to avoid the sincere proposal of the Lao side so as to delay solving problems and normalizing Thai-Lao relations, the ultrarightist reactionaries in the Thai ruling circles have continued to implement the evil schemes of the Chinese big-nation expansionists-hegemonists in collusion with the U.S. imperialists by carrying out challenges and provocative activities and creating disturbances in the area of the three villages in Paklai District, Sayaboury Province, and areas along the Thai-Lao border. Between July 1984 and May 1986, the Thai ultrarightist reactionaries mobilized their Air, Naval, and ground forces to conduct provocations against the LPDR on more than 30 occasions altogether, including the airspace violations, firing at Lao people and Lao cargo boats traveling along the Mekong River, and firing small arms and artillery at LPDR territory in the border areas, thus causing considerable losses of life and property to the Lao people.

While carrying out these dirty acts, the ultrarightist reactionaries have even dirty acts, the ultrarightist reactionaries have even made a-hundred-and-one slanderous charges against the Lao side and used them as an unreasonable pretext to carry out economic blockades against the LPDR by hoarding and delaying the transport of Lao goods via Thailand and by banning the transit to Laos of more than 200 types of the so-called strategic goods. As a result of these acts by the ultrarightist reactionaries in the Thai ruling circles, the efforts to seek ways and means to solve the problem of the normalization of Thai-Lao relations has come to the impasse it remains at today. The time-honored, good-neighborly relations between the Lao and Thai peoples have also been affected ever more seriously with each passing day as a result of the dirty hands of the ultrarightist reactionaries in the Thai ruling circles, who have blindly served plots of the Beijing reactionaries.

On the occasion of the 2d anniversary of the deep indignation, the Lao people of various tribes throughout the country once again expresss resolute determination to turn the power of indignation into a great power enhancing the strength of the national defense and public security forces to safeguard securely their independence, sovereignty, and territorial integrity; maintain the revolutionary cause; heighten vigilance; and maintain preparedness to smash promptly all schemes of the Thai ultrarightest reactionaries and fulfill the strategic task of the party and state in order -- together with the people to normalize and improve the fine relations between the two nations in accordance with the urgent aspirations of the two peoples, positively contribute to easing tension, and create mutual understanding in the interests of the cause of peace and stability in Southeast Asia and the world.

REPORTAGE ON SOVIET PARLIAMENTARIANS VISIT

Delegation Arrives 5 June

BK060225 Bangkok BANGKOK POST in English 6 Jun 86 p 7

[Text] A Soviet parliamentary delegation arrived yesterday for a four-day visit as guest of Parliament President Ukrit Mongkhonnawin. The five-man delegation is led by Akil Umurzakovich Salimov, vice-president of the Presidium of the Supreme Soviet. Accompanying Mr Salimov are Alexandre Sergeyevitch Isaev and Faud Enver-ogly Musaev of the Chamber of Nationalities.

Delegation Press Conference

BK070926 Bangkok BANGKOK WORLD in English 7 Jun 86 p 3

[Text] A group of parliamentarians of the Supreme Soviet this morning spoke out against a proposal to set up a community of Asia and Pacific countries.

The group, here following a visit to Singapore, Indonesia and Malaysia, is led by H.E. Akil Umurzakovich Salimov, vice-president of the Presidium of the Supreme Soviet of the USSR.

Speaking during a press conference this morning, Mr Salimov said that the group held talks with high-ranking government officials of each country they had visited. The discussions, he said, centered on certain issues such as bilateral and multilateral cooperation in economic issues, trade, science and culture. He pointed out, however, that the idea to set up a Pacific forum was a major threat to peace and stability in the region as such a forum would be followed by military cooperation.

The five-member Soviet team, which arrived here on Thursday, will leave for Moscow on Monday.

Meanwhile, Soviet Ambassador to Thailand Valentien Petrovitch Kassatkine said today that he had recently handed a message from Soviet leader Mikhail Gorbachev to Prime Minister Prem Tinsulanon over the accident at Chernobyl. He said that the message also called for cooperation from the Thai Government over the Soviet initiative to create an international organisation of safe functioning for the Atomic Energy Enterprise based on broad international cooperation. The Soviet ambassador also said that the new organisation, if to be set up, should compose of various countries which possess nuclear technology, as well as developing countries which would like to use nuclear energy for peace.

Sitthi Meets With Salimov

BK070923 Bangkok Domestic Service in Thai 0530 GMT 7 Jun 86

[Text] According to a report from the Foreign Ministry, Vice President of the Supreme Soviet Presidium Akil Salimov and his delegation yesterday met Deputy Prime Minister and Foreign Minister Air Chief Marshal Sitthi Sawetsila at the ministry. The two sides exchanged views on the situation in Southeast Asia and bilateral relations. They agreed that there are still opportunities to expand trade and economic relations between the two countries. The Soviet Union said it is ready to buy more from Thailand.

The Thai deputy prime minister and foreign minister told the Soviet Union of Thailand's and ASEAN's wish to see peace in the region. He called on the Soviet Union to respond with constructive cooperation so that peace can be achieved in the region. He stressed ASEAN's policy of economic and social cooperation among member nations to promote the welfare of their respective peoples. He announced ASEAN's decision to hold a summit next year to outline plans to expand their economic and trade relations. The deputy prime minister and foreign minister expressed Thailand's wish to see the two world powers hold talks to solve global problems and eliminate the nuclear threat based on understanding and compromise. Thailand also hopes that the Soviet-U.S. summit will contribute to solving world problems.

Salimov Interviewed

BK080211 Bangkok THE NATION in English 8 Jun 86 p 3

[By Sinfa Tunsarawul]

[Text] The Soviet Union has proposed to help develop Thailand's industrial projects which require high technology by extending loans to be repaid with shipments of Thai export goods, a leader of a Soviet parliamentary group said here yesterday.

Akil Salimov, vice president of the Presidium of the Supreme Soviet, told THE NATION in an interview that the Soviet Union can participate in the construction of hydro-electric and thermal power plants, agricultural product processing factories, development of mineral resources, and others.

"Unlike other trade partners of Thailand, the Soviet Union would be ready to accept the payments for credit, in the form of shipments to our country of Thai traditional export goods," Salimov said.

He said he had raised the proposal during his meeting with Deputy Prime Minister and Foreign Minister Sitthi Sawetsila and Deputy Foreign Minister Arun Phanuphong on Friday. "Their response is positive in principle," said Salimov who is leading a five-member parliamentary team to Thailand.

Soviet Ambassador Valentin Kasatkin who was also present at the interview said they suggested to the Thai side that further discussion should be made during a visit of a Soviet deputy foreign trade minister on June 16. He said the Thai officials accepted the offer.

United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) will hold a trade and economic meeting on June 16-18 in Bangkok, [in] which many economic ministers of the world will participate.

Salimov said the proposal is part of the willingness of the Soviets to transfer their technology to Thailand and other ASEAN countries. He said he had also discussed the idea with other ASEAN countries. His team had visited Indonesia, Singapore and Malaysia before arriving in Bangkok.

The offer to provide loans for industrial projects is another push of the Soviet Union to expand the economic relations between the two countries.

Soviet Deputy Foreign Minister Mikhail Kapitsa had proposed to increase the volume of Thai-Soviet trade during his visit here in late April. Salimov said Moscow is ready to increase its imports from Thailand in exchange for exports of Soviet goods. "We proposed to study the question of expanding trade between our two countries on the basis of barter and mutual contracts." He said the Soviet Union had already bought more than 200,000 tons of rice from Thailand in the past five months.

His ASEAN tour was part of a recently-initiated Soviet policy to begin a wide exchange of views to create a better understanding among countries in Asia and the Pacific region, he said. "The purpose of the visit of our delegation is also to step up efforts for the development of the widest possible cooperation between the Supreme Soviet of the USSR and the parliaments of the ASEAN countries in all spheres," he said.

He said he shared the idea of the President of Thai Parliament Ukrit-Mongkhonnawin that the two countries should exchange parliamentary delegations more often during their meeting on Friday. It was agreed that the question of trade and economic cooperation will be discussed by the delegations, he said.

The Soviet parliamentarian said members of parliaments of the world could have more contribution to bring about better understanding among the international community by exchange of visits.

Touching on the Kampuchean conflict, Salimov said the Soviet Union, if invited, is willing to participate in any political dialogue to settle the problem. He said the proposals of the Indochinese states provide the basis for such settlement. He said the point is such a political dialogue should be started. Vietnam has required the elimination of the Pol Pot clique as a precondition for any political settlement of the Kampuchean problem. It has always rejected any talks with the United Nations-recognized Coalition Government of Democratic Kampuchea.

Commenting on the Sino-Soviet relations, Salimov said China is one of the important powers to create security in the Asian-Pacific region. He said the potential for future development of the relations is great. "Its realization would undoubtedly play a substantial role in ensuring Asian security."

He said he characterized the present relations between Thailand and the Soviet Union as "good and friendly" and there is great potential for their future development on the basis of mutual respect and mutual benefit.

PREM INTERVIEWED ON POLITICAL PLANS, ELECTIONS

BK091034 Bangkok Television Service in Thai 1300 GMT 8 Jun 86

[Report on 8 June press conference given by Thai Prime Minister General Prem Tinsulanon in Nakhon Ratchasima Province -- recorded]

[Text] [Unidentified reporter] Dear listeners, I informed you yesterday that the prime minister would speak to reporters on whether he will run in the general elections.

This morning, before returning to Bangkok, the prime minister gave an interview at his residence in Nakhon Ratchasima, saying that he would not run in the upcoming elections because he has to remain neutral in the elections. As to whether he will take the premiership again, he said it is still too early to give an answer.

[Prem] The first question is whether I will run in the general election. I have to make it clear that as a member of a caretaker government, I have to carry out my duties, in particular, supervising the 27 July general elections. The caretaker government has to make sure the elections are orderly and, as the Interior Ministry puts it, honest and fair. If the prime minister belongs to any political party he might be seen to be losing his neutrality, so it is necessary for me to remain neutral in order to ensure that the election is held in accordance with the wishes of the people. This is important because we need candidates who the people want to vote for without any influence from any factor that may make them confused. For the sake of the interest of the majority, I have to remain neutral. I think my reply to the question is clear.

As for the second question, now is not the time to answer because there are still several factors to be taken in to consideration, and those factors will come into play only after the election. So, now is not the time to think about it since we still do not have enough factors for consideration.

Now, I would like to discuss another important point, which you did not ask about. I want all of you to help tell the eligible voters that the general election is an important thing and everyone should exercise their voting rights. Even one person's vote has great value as it will enable us to have the desired persons as mp's. The people should make up their own mind and vote for those they think will work for the interest of the community. Only good persons can do so. The word "good person" means a lot, and I do not have to explain. Please vote for good persons -- those who will really do benefit for the public. They should give no significance to the campaign methods of the candidates, but to the general interests of the community. In conclusion, we have to vote good persons into Parliament. You will be able to do this job well because most people read newspapers, listen to radio, and watch television. If we try to give the right instructions which the people can use as guidelines in voting, we will get mp's who will work for the sake of the people, which will benefit our country's democratic development.

REJECTION OF LAO BORDER TALKS OFFER REPORTED

BK090758 Hong Kong AFP in English 0722 GMT 9 Jun 86

[Text] Bangkok, June 9 (AFP) -- A Thai Foreign Ministry spokesman Monday reiterated that Bangkok had no border dispute with Laos and therefore would not take up a recent Laotian offer to start a new round of talks to solve it.

Vientiane Friday had proposed talks between officials of the two foreign ministries on sovereignty over three border officials [as received].

But the Thai Ministry's Information Department Deputy Director General, Pratyathwi Tawethikun, said Monday that "we have no dispute with Laos any more on this issue."

The villages of Mai, Klang and Sawang, 220 kilometers (135 miles) west of Vientiane, were at present under Laotian control after Thai troops had withdrawn from the area following armed clashes with Laotian forces in 1984, Mr Pratyathawi said.

He rejected a charge by Laotian authorities that Thailand had stationed 2,000 troops with artillery on three hills overlooking the villages.

Laos said Friday that the hills were on its territory, in a Foreign Ministry statement marking the second anniversary of the dispute.

Mr Pratyathawi also denied that Thailand was carrying out "constant aggressive acts" against Laos and that it was holding 1,000 Laotians in a camp inside Thailand, as Laotian officials had told visiting journalists.

OFFICIAL ON CAPTURE OF COMMUNIST CAMPS IN SOUTH

BK080905 Bangkok Domestic Service in Thai 1300 GMT 6 Jun 86

[Text] The 4th Army Region Forward Section in Pattani Province on 1 May launched a suppression drive against CPM guerrillas operating along the Thai-Malaysian border. The operation, codenamed "Thaksin 292," has been successful. To date, the authorities have captured five camps along with other materials. Col Banchon Chawangsin, acting chief of the 4th Army Region for civilian affairs, reported as follows to the Public Relations Department correspondent in Nakhon Si Thammarat Province.

[Begin recording] With the decline in activities of the communist terrorists and separatist movement members in the southern border area, the forward sections of the 4th Army Region and the Internal Security Operations Command have stressed suppression operations against the CPM guerrillas operating along the Thai-Malaysian border and in Songkhla, Yala, and Narathiwat provinces. On 1 May we launched an operation codenamed "Thaksin 292" under the direct supervision of the forward sections of the 4th Army Region and the Internal Security Operations Command. To date, our soldiers have clashed with the CPM bandits 10 times and were hit by 7 mine explosions. We lost 2 soldiers killed and 14 wounded. On the other hand, our achievements match our losses. Our soldiers seized five major camps built with tunnels, ditches, and other defensive systems. They also seized another six satellite camps. The 11 camps we captured altogether have 193 buildings of various kinds. [end recording]

REPORTAGE OF AUSTRALIA'S HAYDEN BANGKOK TALKS

Impact of U.S. Farm Act

BK100148 Bangkok BANGKOK POST in English 10 Jun 86 pp 1, 3

[Text] Australia supports Thai calls for talks to counter the adverse impact of the U.S. Farm Act among countries which do not subsidise agricultural exports. Foreign Ministry spokesman Dr Pratyathawi Tawethikun said yesterday that Australian Foreign Minister Bill Hayden expressed his support in talks with his counterpart Sitthi Sawetsila last night. Mr Hayden said Australia also suffers a trade deficit with the United States.

Thai and Australian agricultural exports had both been damaged by the Farm Act, which in essence subsidises U.S. rice, making it more competitive on world markets. Australia is concerned about falling commodity prices resulting from protectionist barriers like the Farm Act and the European Economic Community's Common Agricultural Policy.

ACM [Air Chief Marshal] Sitthi proposed that countries, such as Australia, Canada, New Zealand and ASEAN, which do not subsidise their farm exports, meet regularly to map out a joint strategy. Dr Pratyathawi said Australia would further discuss the problem at ASEAN meetings with Dialogue Partners in Manila from June 24-26.

Also discussed yesterday was Australia's new system of trade preferences, to be announced on July 1, which will reduce import duty on goods from developing countries by five per cent from the present 45 per cent. During the talks it was agreed that steps should be taken to double bilateral trade from the present A\$250 million. ACM Sitthi also invited Australian tourists to Thailand next year, which will mark the country's Year of Tourism.

ACM Sitthi also briefed Mr Hayden on developments in Kampuchea. Mr Hayden was told the Khmer resistance has made impressive military gains and that the relative quiet along the Thai-Kampuchean border indicated this was the worst year yet for the Vietnamese occupation forces. Vietnamese forces had suffered setbacks, said ACM Sitthi, and this was made clear by their reinforcement of defences around Phnom Penh.

Security, Regional Issues

BK101123 Bangkok BANGKOK WORLD in English 10 Jun 86 p 3

[Text] No discussions were held on Australian-Indonesian relations during a meeting this morning between Prime Minister Prem Tinsulanon and Australian Foreign Minister Bill Hayden, Foreign Ministry Deputy Spokesman Pratyathawi Tawethikun said. When asked whether Mr Hayden had asked the Thai side to help negotiate with the Indonesian Government to improve relations between the two countries, the deputy spokesman said the issue was discussed last night by Foreign Minister Sitthi Sawetsila and the Australian foreign minister. He said Thailand felt that the two countries could improve their relations as both countries had played an important role in this region.

During this morning's meeting, Mr Pratyathawi said that several issues, including security and regional problems, were raised for discussion. He said Gen Prem thanked Mr Hayden for Australia's warm welcome to His Royal Highness Crown Prince Maha Wachiralongkon during the Crown Prince's last visit to Australia. The prime minister also praised Australia for the recent signing of a defence cooperation agreement. Although the project was a small one, Gen Prem said it set a good example as well as new era between Thailand and Australia.

On economic issues, the deputy spokesman said that the outlook for the Thai economy is good compared with other countries and there was indication that it was going to be better in the future. He said both countries expressed concern over the protectionism issue. He said Mr Hayden discussed with ACM [Air Chief Marshal] Sitthi the problem of selling Thai rice and the way to seek a solution to the problem.

He said Mr Hayden also showed an interest on joint-venture projects between the two countries such as a joint railway project.

Hayden on Cambodia Peace Plan

BK101225 Melbourne Overseas Service in English 1200 GMT 10 Jun 86

[Text] The Australian foreign affairs minister, Mr Hayden, has urged Vietnam to reconsider its rejection of the peace plan for Kampuchea put forward by the Kampuchean resistance coalition. Speaking at a news conference in Bangkok at the end of a 3-day visit to Thailand, Mr Hayden said the 8-point plan was not perfect but had much to recommend it and afforded a valuable starting point for negotiation.

Mr Hayden said Australia saw the proposal as a progressive development in the region and had contacted a number of countries which had direct interest in the Kampuchean situation. It had recommended to the governments, in particular to Vietnam, that they address themselves seriously to the plan.

Mr Hayden said Australia did not view the proposal as final but believed it contained a number of positive aspects that were worth exploring further.

The plan put forward last March calls for a cease-fire and a 2-part withdrawal of Vietnamese forces from Kampuchea under United Nations supervision. A national government would then be set up to include all Kampuchean factions prior to free elections.

SUNTHATHAN ON DIVERSIFICATION OF TRADE PATTERNS

BK091405 Bangkok MATICHON in Thai 9 Jun 86 p 4

[Article by Sunthi Sunthathan: "A Favorable Trend"]

[Text] Newspaper reports say that this year the USSR will import more than 300,000 metric tons of sugar from Thailand, a several-fold increase compared with last year's 36,631 metric tons. During May and June about 20 Soviet merchant ships will carry 200,000 metric tons of sugar from Thailand. The USSR has become Thailand's biggest sugar customer, replacing China which was Thailand's biggest customer last year with purchases of as much as 1 billion metric tons of sugar. The most important reason why the USSR is buying sugar from Thailand is that its regular suppliers, such as Cuba and the Philippines, face problems of low production. In addition, its sugar production in the Ukraine may also be affected because of the explosion at the Chernobyl nuclear power plant in Kiev.

News reports also say that in the first 4 months of this year the USSR bought 139,399.96 metric tons of rice from Thailand, most of which is expected to be sent to assist Vietnam. Recently, the USSR ordered another 20,000 metric tons of rice worth about 80 million baht for immediate shipment. The source did not disclose where this rice would be shipped.

However, all these purchases are good for Thailand when it is facing stiff competition from U.S. agricultural products, especially rice.

From several sources we have learned that the Soviet Government has been trying to improve its trade relations with other countries -- first, with China and the United States, and then with ASEAN and the EC. It wants to promote relations between those countries and the CEMA. Promoting economic relations is the best way to strengthen political relations and eventually world peace.

Staging trade wars is a phenomenon peculiar to the capitalist world. Now the United States has a Congress which likes to write protectionist legislation and a government which likes to stage trade wars, and this will to stage trade wars, and this will only increase the conflicts within the capitalist world. The conflict resulting from the change in exchange rates between the U.S. dollar and the Japanese yen and West German mark is getting worse. The Japanese and West Germans will not willingly suffer losses in order to help the United States to correct its trade deficit. At such times, promotion of trade with other countries has meaning, no matter who initiates it. Trade promotion is better than protectionism and retaliation among each other. Trade relations which are beneficial to both sides should be expanded and everlasting.

VIETNAMESE LEAFLETS FOUND NEAR CAMBODIAN BORDER

BK100940 Bangkok NAE0 NA in Thai 10 Jun 86 pp 1,2

[Text] According to a report from Aranyaprathet, while local people were focusing their attention on election candidates in Prachin Buri Province leaflets were spread by air, landing 3-5 km from the Cambodian border in Tambons Khlong Nam Sai, Phansuk, and Thap Phrik. The first leaflet, 3 by 5 inches, was discovered at 2100 on 8 June. It was written in Thai by hand and reproduced by coping machine. The language used was poor, indicating that the writer was a Vietnamese or Heng Samrin soldier. So far it is not clear how the leaflets were spread -- launched in propaganda shells or dropped from a plane.

The leaflets say: "Fraternal military officers and soldiers of the Kingdom of Thailand, the Cambodian revolutionary people and Army have defeated and occupied the last stronghold of the Pol Pot group and the reactionary Son Sann-Sihanouk group. Therefore, you are asked to cooperate in establishing a peaceful and friendly border for the sake of the Cambodian people's peace and that of the Thai people by not allowing remnant Pol Pot and reactionary Sihanouk soldiers to hide in your territory in order to resume killing Cambodian people or undermining their revival. If you continue to support or harbor them the Thai administration must be held responsible for the consequences." The leaflets were unsigned.

According to the report, the Vietnamese leaflets drew considerable comment from the local people as to whether they were intended to interfere with the election in Thailand.

Military authorities have collected the leaflets and are studying their purpose and origin.

HOANG BICH SON STATEMENT ON THAI 'SLANDER' NOTED

OW101628 Hanoi VNA in English 1506 GMT 10 Jun 86

[Text] Hanoi VNA June 10 -- Vietnamese Deputy Foreign Minister Hoang Bich Son, in a statement in Bangkok on June 6, rejected the Thai press's reports that he had said the artillery bombardment on the Khmer refugee camp No 8 had probably been conducted by the Heng Samrin force but not by Vietnamese troops.

The false reports appeared on the Thai press on June 6 in its coverage of the June 5 meeting between Hoang Bich Son and Thai Deputy Foreign Minister Arun Phanuphong at the Thai Foreign Ministry's office.

Hoang Bich Son recalled that during the meeting, when the Thai side had mentioned the artillery shelling, he responded by reiterating the May 30, 1986 statement by VIETNAM NEWS AGENCY categorically rejecting the slander that Vietnamese artillery based in Kampuchea had fired on a Kampuchean refugee camp on the Thai soil.

THAILAND BLAMED FOR PROBLEMS WITH LAOS

BK101209 Hanoi Domestic Service in Vietnamese 1430 GMT 9 Jun 86

[Station commentary by editor Dao Nguyen: "The Thai Side Must Demonstrate Its Goodwill in Its Neighborly Relations With the LPDR"]

[Text] The security situation in the LPDR's three villages of Mai, Kang, and Savang in Sayaboury Province bordering Thailand has not yet returned to normal as expected by progressive public opinion in the region and the rest of the world. It is the Thai side that has created this situation.

According to the Lao Foreign Ministry's 6 June 1986 statement, Thai troops, although forced to withdraw unconditionally from these three villages, have continued to occupy many hills inside Laos in the area adjacent to the three villages along the Lao-Thai border. The Thai side has continued to send its troops to fire artillery and to plunder the Lao people's property in the vicinity. It is especially noted that earlier, while being compelled to withdraw its troops from the three villages, the Thai side forced thousands of the Lao to leave their native places in the area of the three villages and go to concentration camps inside Thailand. Defying progressive public opinion in the country and in the region, the Thai authorities have prevented these Lao from returning to their country. Thai troops have been ordered to fire on Lao escaping from the concentration camps in Thailand, killing many of them.

Not only has Thailand rejected the LPDR's legitimate demand for compensation for the damage caused by its acts of aggression to the people in the three villages but it has also arranged for Lao reactionaries to participate in various military exercises conducted by Thai troops in the area along the border of the two countries. The threat of aggression against the Lao border from the Thai side continues.

The Thai side's attitude and actions have run totally counter to the spirit of the joint Thai-Lao communique signed in 1979 which said: The two sides will resolve their differences through peaceful negotiations.

Over the past 2 years, since 6 June 1984 when Thailand sent its troops to occupy the three Lao villages, the Thai side has repeatedly rejected many constructive LPDR proposals for peace talks aimed at resolving satisfactorily the neighborly relations between the two countries on the basis of the spirit of the joint Lao-Thai communique of 1979.

The joint overtures by the LPDR, Vietnam, and the PRK at various Indochinese foreign ministerial conferences in the past and especially at the 10th, 11th, and 12th Indochinese foreign ministerial conference to restore security and foment fine relations in the spirit of mutual understanding between the group of countries on the Indochinese peninsula and Thailand have also not been met by a positive response from Thailand. Thailand's continuation of its hostile attitude toward the LPDR and other countries in the Indochinese peninsula has obviously benefited those international reactionary forces that are seeking ways to create confrontation in the hope of continuing to destabilize the regional security situation.

The Thai side's actions have run counter to the aspirations and interests of the Thai people, who are demanding that the Thai authorities restore the long-established friendly and neighborly relations between the Thai and Lao peoples and between the Thai people and those of other countries in the region.

The LPDR's door to peace remains wide open, and in its 6 June 1986 statement the Lao Foreign Ministry once again reaffirmed its unswerving position and proposed that the Thai side send a government-level delegation to talk with a Lao Government delegation in Bangkok, the capital of Thailand, or in Vientiane, the capital of Laos. To ensure the results of this governmental-level talk, the Lao side also proposed that the foreign ministries of both countries nominate officials to meet in advance and prepare for the talk. The LPDR's goodwill for peace and desire to restore good-neighborly relations with Thailand are totally consistent with the trend of our times and with international relations and international law. The LPDR peace proposal has been and is being strongly welcomed and supported by progressive public opinion in the region and throughout the world because it represents the best way to end the conflict between Thailand and Laos.

Together with the previous proposals advanced by the countries in the Indochinese peninsula, this LPDR peace proposal also contributes toward resolving the disagreements between Thailand and the Indochinese countries. Whether peace along the Thai-Lao border and neighborly friendship between the two peoples will be restored as desired by the Thai people and other peoples in the region and by progressive public opinion in the world now continues to depend on the goodwill shown by the Thai authorities toward the peace proposal advanced by the LPDR.

HANOI CRITICIZES REAGAN POLICY ON TERRORISM

BK101457 Hanoi International Service in English 1000 GMT 10 Jun 86

[Station commentary: "A New Product of U.S. President Reagan"]

[Text] Following the Strategic Defense Initiative -- also known as "star wars" -- U.S. President Reagan has just made a new product -- the strategic initiative on anti-international terrorism. With this initiative, Reagan wants to bring war to what he calls the den of international terrorism, including territories, cities, and even specific residents in a number of sovereign countries in Asia, Africa, and Latin America.

Right after birth, this initiative has been given much fanfare and experimented in the sovereign state of Libya in northern Africa.

According to Western press, in the attack against Libya under the label of anti-international terrorism the Reagan administration conducted a campaign of strategic air raids. From NATO strategic military bases, strategic espionage equipment [and] weapons of strategic forces such as warships, combat planes -- F-111 swingwings -- have been mobilized to attack what is called strategic target -- that is the residence of the Libyan president.

Is this move of the Reagan administration antiterrorism? No. On the contrary, this move further shows that the Reagan administration has [as heard] and is taking the dirtiest and cruelest act of state terrorism in mankind's history.

Obviously, the so-called strategic initiative on anti-international terrorism is a disgusted and rueful one, terrorizing any nation in the world disobedient to the United States. With this initiative, Reagan is trying to blur the limit between the relations among sovereign states and acts of foreign intervention and aggression. Acts of provocation and aggression against a sovereign country are considered by Washington those against several individuals, political or military groups in a certain country. By citing this pretext, Reagan wanted to elude criminal war acts. first of all, he whipped up a propaganda campaign of slanders to incite chauvinist spirit in the United States and deceive public opinion in his country and abroad. However, Reagan's criminal hands and smokescreen cannot cover the (?truth).

Right after the air raids on Libya, a wave of strong protests was raised. Public opinion considered the attack the most braze act of international terrorism. They demanded that Reagan -- the worst international terrorist -- stop committing crimes. The test on the anti-international terrorism strategic initiative has failed, but this does not spell out that President Reagan and other warmongers in the United States step back. People wonder how can such an initiative under a beautiful label attract anyone once it is unmasked.

ARMY INVOLVEMENT IN ECONOMIC PROJECTS VIEWED

OW060851 Hanoi VNA in English 0706 GMT 6 Jun 86

[Text] Hanoi VNA June 6 -- While standing ready to defend the country from foreign aggression and performing its internationalist duty towards the fraternal peoples of Laos and Kampuchea, the vietnam People's Army (VPA) has actively engaged in economic construction.

Following are the main forms of its activities in this field:

1- Building new economic zones:

-in Vietnam's Central Highlands: the trination border area of Vietnam, Laos and Kampuchea.

-in southern Vietnam's eastern region: the former resistance zone D and rubber plantations.

-in the Mekong River delta: the Plain of reeds and areas hemmed in by the Tien and Hau rivers.

-in northern Vietnam: army units have taken part in afforestation in service of paper industry and coal-mine building, and in expanding sea polders along the coast of Haiphong and Ha Nam Ninh Province (10,000 more hectares of newly-reclaimed land have been put under crops). In the 1986-90 five-year plan, the VPA will reclaim large areas in northern hilly regions for tea-oil planting.

2- Building maritime economy:

Alongside increasing its fighting capacity, Vietnam's naval units will continue their side-line economic functions. They will organize more fishing trips to open seas and practise seafood processing.

Army units stationed along the coast have also been assigned to boost maritime economy such as fishing and shrimp rearing.

3- Building bridges and roads:

Many regiments or larger units of the VPA have engaged in building bridges and roads in many parts of the country. Since the liberation of South Vietnam in 1975, they have taken part in constructing and repairing the Trans-Vietnam Railway, upgrading the 1,500-km Truong Son highway, and building several motor roads linking Laos's western provinces to Vietnam's ports in service of the fraternal country's socialist construction.

4- Building irrigation works:

Many irrigation works have been built in Central Highlands by local armymen. As a result, wet rice has been grown on many areas at the height of some 1,000 metres above sea level. In the Mekong River delta, sapper units of the V.P.A. have built a system of irrigation canals totalling more than 1,000 km. This has helped water 160,000 hectares of cultivated land and turn large single-cropping areas into double-cropping fields. These canals have facilitated the transport of food and other commodities in the region.

TRUONG CHINH CALLS AT HANDICRAFT EXHIBIT

OW101718 Hanoi VNA in English 1503 GMT 10 Jun 86

[Text] Hanoi VNA June 10 -- Truong Chinh, Politiburo member of the Communist Party of Vietnam Central Committee and president of the State Council, yesterday called at an exhibition of small industry and handicraft products, currently held in the capital city. The exhibition is jointly sponsored by the Vietnam Union of Small Industry and Handicraft Cooperatives, and the Vietnam Plastic Art Workers' Association. On display are more than 2,000 items selected from over 6,000 entries for the recent first national contest of arts and craft producers.

Speaking on the occasion, President Truong Chinh praised the exhibition as demonstration of the emulation movement for designing new models and promoting the quality of products. The small industry and handicraft branch should forge better cooperation with related branches to help restore and develop traditional trades so as to better serve the people's life and export, the president said.

COUNCIL OF MINISTERS APPROVES VINH PHU PLAN

BK101524 Hanoi Domestic Service in Vietnamese 2300 GMT 9 Jun 86

[Text] On 8 June, the Council of Ministers approved the preliminary plan for the development and distribution of Vinh Phu Province's production forces for the 1986-2000 period. The preliminary plan of Vinh Phu clearly specifies that in the next 10-15 years, on the basis of developing its favorable geographical position, its potential concerning labor and lands, its industrial establishments, and the existing scientific-technological facilities, the province will concentrate efforts on steadily meeting the targets concerning grain and food and raw materials for industry and export; vigorously developing the chemical industry, textile, paper, and food industry; sectors, and the Thanh Hoa tea industry; exploiting the Thanh Son mine; developing three large industrial centers in Viet-Tri, Phu Ninh, and Lam Thao; forming a system of three urban population centers at Viet Tri, Vinh Yen, and Phu Tho; and linking these centers with the system of socioeconomic district centers and the King Hung temple tourist center.

DEVELOPMENT IN HA SON BINH PROVINCE REVIEWED

OW101706 Hanoi VNA in English 1455 GMT 10 Jun 86

[Text] Hanoi VNA June 10 -- Ha Son Binh Province, southwest of Hanoi, has seen a rapid development of its small industry and handicrafts, chiefly for export. The province now has 1,104 establishments engaged in small industry and handicrafts, employing about 100,000 persons. Apart from traditional trades, the province has developed new ones for export purposes such as woolen knitwear, jute carpet, venetian lace. Exports account for nearly one third of the total output value of small industry and handicrafts in the province.

Last year, Ha Dong town, the main small industry and handicraft centre of Ha Son Binh achieved 30 million dong in output value, 4.2 percent above plan. Thanks to the contract quota system, the To Hieu ceramics cooperative has increased its products from 300,000 to 500,000 pieces per year.

The province is investing more capital and technical equipment in the collective sector of small industry and handicrafts: From 30 to 50 per cent of the foreign currency reserve is devoted to the import of material and equipment for small industry and handicrafts with a view to a 10-12 per cent increase in output per year. This year's plan also calls for a six-percent increase of the workforce compared with last year.

MALACANANG 'BACK TO NORMAL' FOLLOWING ALERT

HK110354 Manila MANILA BULLETIN in English 10 Jun 86 pp 1, 20

[By Ding Marcelo]

[Text] President Aquino charged yesterday that anti-government demonstrators who tried to take over Malacanang last Sunday were being funded by deposed President Marcos and his associates with ill-gotten wealth.

The President said she smelled tear gas in her new home near Malacanang when anti-riot policemen dispersed the Marcos partisans at the foot of the Ayala bridge. Mrs. Aquino had just moved in one the same day in her new home on Arlegui St., a few hundred meters from Malacanang, when tear gas fumes entered her kitchen as she prepared dinner for members of her family, according to Presidential spokesperson Alice Villadolid.

Asked what the President did afterwards, Executive Secretary Joker Arroyo said "She continued cooking."

Ms. Villadolid told media men that Mrs. Aquino has urged the police and the military to continue exercising maximum restraint in dealing with so-called Marcos "loyalists" who have held demonstrations for the past several Sundays.

The President said she felt anguished and bothered by the trouble created by the demonstrators. "It is clear to me and to others in government, as it must be to many of our citizens, that these 'loyalist' troubles are caused by the deposed President's prodding his followers here by telephone and by other means. It is also clear that ill-gotten money buys demonstrators," Mrs. Aquino said in a statement read by Ms. Villadolid.

Mrs. Aquino said she deplored the ways "in which the former President continues to foment trouble in this ravaged country using his enormous wealth, of which a small portion was publicly made known when the U.S. customs service investigated their cargo."

Mrs. Aquino asked what the Marcos people are fighting for. "Do they want democracy? We already have it. Do they want to bring back a man who has ruled this country for 20 years? The demonstrators should ask themselves what they are fighting for," she said.

Mrs. Aquino also said that she found it disturbing that so many people would aggressively pursue an activity that is causing unnecessary hardships for some people. She also said that she was anguished by the sight of so many demonstrators working for an unclear cause.

Secretary Arroyo, quoting former Soviet Premier Nikita Khrushchev, said the attitude of the government "is to let the children play."

At Malacanang, however, security was tightened over the weekend with a "red alert" issued. Security was beefed up and soldiers were seen carrying high-powered firearms. Everything was back to normal yesterday although a sizable contingent of soldiers was very visible at the Palace grounds.

The street where Mrs. Aquino transferred her residence was closed to both vehicular and pedestrian traffic. Mrs. Aquino also denied that she had sent some emissaries to talk to former President Marcos. She, likewise, said that there is not a grain of truth to the charge that her political campaign was financed by the Catholic Church.

AQUINO LAUNCHES 6-YEAR REFORESTATION PROGRAM

HK090603 Manila MANILA BULLETIN in English 7 Jun 86 pp 1, 13

[By Fred M. Lobo]

[Text] President Aquino officially launched yesterday a six-year national reforestation program designed by the Ministry of Natural Resources (MNR) to rehabilitate denuded forests and private lands as well as critical watersheds throughout the country.

The forestation program, estimated to cost P10.8 billion, would primarily establish and develop "production" and "protection" forests to avert forest products shortage and ecological imbalance, MNR officials said. They pointed out that the program has to succeed through government initiative and support of the private sector to check forest destruction and depletion due to logging, and ecological problems due to the deterioration of watersheds.

The President led in the planting of the "Tree for Peace" in commemoration of World Environment Day at the Parks and Wildlife Nature Center in Quezon City.

The launching ceremonies, likewise, saw the signing of a joint agreement on forestation by the Boy Scouts of the Philippines and the ministries of national defense, agriculture, and education.

The forestation program was presented to the President by Natural Resources Minister Ernesto Maceda and MNR Deputy Minister Dante Sarraga, Rolleo Ignacio and Bienvenido Marquez and Forestry Director Ireneo Domingo.

They said that the program is the answer to forest destruction that threatens to wipe out the country's forests by the year 2,000. Likewise, they said that the program will counter inadequate reforestation work in the past which suffered from low survival rate, funding and administrative programs and public apathy.

If successfully implemented, the program envisions adequate supplies of forest raw materials, a viable and progressive wood industry, more jobs for the masses, a more balanced ecology and better life for the Filipinos.

AQUINO DISCUSSES NEW FAMILY PLANNING PROGRAM

HK100117 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 9 Jun 86 p 3

[Text] A new family program for Filipinos is being finalized by the Aquino government to reduce the country's population growth due to its ravaged economy, Malacanang said yesterday.

Malacanang said the program will be carried out in cooperation with the National Economic and Development Authority (NEDA) and the Ministry of Social Services and Development (MSSD). The President said the program will entail a massive dissemination on birth control among the people.

"If we are able to educate them, then we will have more success as far as controlling the population is concerned. Education plays a major role in family planning," she said.

"The program," she said would make the people aware of what forms of birth control are available to them so they can best plan their family.

"While we are encouraging the citizens to plan their family," the President added, "we also keep in mind that these individuals have the right to decide the size of their family."

She said the government is taking an active role in reducing the population growth of the country because the Philippines now ranks fourth as the most populated countries in the world. [sentence as published]

LAUREL ON CONDITIONS FOR RETURN OF 'CRONIES'

HK101359 Hong Kong AFP in English 1353 GMT 10 Jun 86

[Text] Manila, June 10 (AFP) -- Exiled associates of deposed President Ferdinand Marcos may return to the Philippines provided they do not destabilize the new government, Vice-President and Foreign Minister Salvador Laurel said Tuesday.

Mr Laurel was reacting to local press reports that former coconut tycoon Eduardo Cojuangco and banana magnate Roberto Benedicto, both living in exile in the United States, wanted to return here. "If I am convinced that they will not come to destabilize the government, I will let them come. But the moment I will doubt it, I will not -- so that is a matter of appraisal and assessment," Mr Laurel told reporters here.

But he said the final decision would have to be made by President Corazon Aquino, who is an estranged cousin of Mr Cojuangco. The issue may be taken up in Wednesday's cabinet meeting, he added.

The Philippine Government accuses Mr Marcos's "cronies" of having joined him in plundering the economy of up to 10 billion dollars. The Presidential Commission on Good Government is engaged in efforts to recover the fortune, most of which is said to be kept in foreign banks and invested abroad.

Commissioner Raul Daza Tuesday set conditions for Mr Cojuangco's return, including his willingness to fully disclose the extent of Mr Marcos's "hidden wealth," a pledge not to destabilize the Aquino government, and non-immunity from suits outside of his illeged ill-gotten wealth.

The commission has granted immunity from suits to drug magnate Jose Campos, who has turned over to the new government land titles, money, and stock certificates in firms he admitted having held for Mr Marcos.

Mr Daza told a public relations forum here that Mr Cojuangco's case would also hinge on the "reasonableness" of the amount to be settled.

Minister Jovito Salonga, the head of the commission, told a news conference the U.S. Government had filed a motion to defer a court ruling in the U.S. state of Hawaii that seven million dollars-worth of Marcos assets be returned. The assets were seized by U.S. Customs when Mr Marcos fled to Hawaii following a popular uprising that toppled him in February.

Meanwhile, government television reported here that three service commanders under Mr Marcos were to be summoned by the military's anti-graft board next week to answer charges that they illegally acquired wealth during their tenure. The station identified the officers as former Army chief Major General Josephus Ramas, former Air Force chief Major General Vicente Piccio, and Rear Admiral Simeon Alejandro, the former Navy chief -- all of whom were retired by Mrs Aquino shortly after she assumed power. Members of the graft board could not be reached for comment.

ONGPIN DISCUSSES PROPOSED TAX REFORM MEASURES

HK100107 Quezon City BUSINESS DAY in English 9 Jun 86 p 3

[By reporter Conrado R. Banal III]

[Text] The Aquino government will soon introduce major changes in the tax system which will bring it closer to reaching an agreement with the International Monetary Fund (IMF) on the country's economic program.

Some 30 tax measures are awaiting the approval of President Aquino, according to Finance Minister Jaime V. Ongpin, who headed the government panel in last week's talks with an IMF team. The changes mainly seek to "reform" the tax system, Ongpin emphasized, saying the measures which will lead to revenue losses for the government outnumber those which will give additional income. He nevertheless disclosed that the government expects to increase its tax revenues this year as a result of the changes.

Through the measures, the government intends to simplify the tax system, give it a broader base and make it more equitable, Ongpin said.

Some of the measures call for:

-- The imposition of duties on goods covered by the import liberalization program (The rates will vary between 10 percent and 50 percent, depending on the item. The idea is to align prices of imported goods with those made locally to provide local industries protection against an influx of imports which the liberalization program may trigger. The duties will be phased out gradually);

-- The removal of export taxes (This will help promote exports to increase the country's dollar earnings. The IMF recommended this);

-- The introduction of a single business income tax rate (This is to make the corporate tax system simpler and more equitable, Ongpin said. Also, government figures indicate that a large number of firms are declaring incomes of just below P100,000. Firms earnings below this figure pay only a 25 percent income tax, while those with higher incomes pay 35 percent);

-- The scrapping of tax exemptions granted to firms through presidential directives during the Marcos regime (Ongpin said however the tax incentives granted by the Board of Investments will be retained);

- An increase in the specific tax on petroleum products, cigarettes and liquors;
- The creation of an amnesty program for Filipinos wanting to bring back assets from abroad, and those with pending cases with the Bureau of Internal Revenue (BIR) regarding tax assessments (For assets brought back from abroad, the tax will be 10 percent. Ongpin said this measure is in response to the fears expressed by Filipinos with assets abroad who want to invest here. These investors want to avoid questions from the BIR. Ongpin disclosed that there is already a group which wants to avail of this amnesty program. It is buying one of the government-acquired commercial banks);
- The raising of the cut-off level for individual tax exemptions; and
- The elimination of the requirement for married couples to file joint income tax statements.

Ongpin said the measures are "parallel" with the recommendations of the National Economic and Development Authority (NEDA) tax committee.

The Cabinet approved "in principle" last Wednesday the NEDA agenda for economic reforms which was based on the working paper submitted by the presidential economic task force made up of representatives from the government and private sector groups.

The IMF actually had a hand in drawing up the tax reforms which the Aquino government wants to implement. An IMF team was here last week to discuss with the government these tax measures. It was agreed in the Tokyo consultative group meeting a couple of weeks ago that the IMF and the government should "discuss further" this year's budget and the tax reform package the government wants to adopt.

The budget and the tax package are major aspects of the overall economic program which the Aquino government and the IMF will discuss by mid-July. An IMF-government agreement on the budget and tax measures will pave the way for the resumption of talks on the economic program.

The IMF's grant of a standby credit line to the Philippines will depend on its agreeing to such an economic program. Moreover, the Aquino government can only expect to raise all the foreign aid and concessional loans it wants this year after it finalizes the economic program with the IMF.

During the Tokyo meeting, foreign loans and aid committed to the Philippines amounted to only \$770 million. The Aquino government is seeking more than \$1 billion to help cover its 1986 financing gap of P32 billion -- P22 billion to fund the shortfall in its budget (the budget deficit) and P10 billion to service its foreign debt.

Ongpin said the funding assistance which the Philippines expects to get from abroad this year is merely "transitional" in nature. Lenders to the Philippines want an assurance that the country can finance its growth in the future from domestic sources. Ongpin indicated that the "comprehensive tax reform package" is important to the Philippine economy's becoming less dependent on foreign funds for its growth.

PIMENTEL URGES NULLIFICATION OF NEGROS PARTITION

HK061434 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 6 Jun 86 p 11

[By F.V. Maragay]

[Excerpt] Local Government Minister Aquilino Pimentel Jr said yesterday he favors a move to nullify a law creating Negros del Norte as a separate province carved out of Negros Occidental.

Pimentel said that the then ruling Kilusang Bagong Lipunan (KBL) railroaded the passage of the parliamentary measure seeking the partitioning of Negros Occidental when it prematurely conducted voting on the measure without first hearing the arguments being put up by the opposition in the defunct Batasang Pambansa.

Pimentel, who was then minority floor leader, and then MP Wilson Gamboa, led the opposition move to defeat the motion on the ground that it would be detrimental to the interest of the local populace.

The local government minister said he has submitted a formal comment to Solicitor General Sedfrey Ordonez who will present the government's position on a petition filed with the Supreme Court questioning the legality of the partitioning of Negros Occidental. He said that even the plebiscite conducted last Jan 3 on the creation of the separate province "appears to have been rigged."

Negros del Norte was formally created by virtue of Proclamation 273 signed by former President Marcos on the basis of the results of a plebiscite which ratified Batas Pambansa 885 which called for its creation. Three cities -- Cadiz, Silay and San Carlos -- were absorbed by the new province along with eight municipalities.

The Commission on Elections, which conducted the plebiscite, reported that out of the 195,134 total votes cast, 164,734 (84.42 percent) voted in favor of the creation of the new province while only 30,400 rejected it.

Asked how the government can nullify the partitioning of Negros Occidental, Pimentel said this can be done by a "legislative action" with the approval of the President.

Pimentel also said he will move for the abolition of the municipality of Pandami in Sulu province because it lacks the capacity to support basic services. "The municipality's income is not even enough to pay the salaries of local officials and personnel," he said. If Pimentel's proposal is approved, the component barangays of Pandami will be returned to Siasi town.

Pimentel said there is a need for consolidation, instead of fragmentation, of local government units "to make them more viable and responsive to people's needs."

CON-COM MEMBERS SUPPORT REGIONAL AUTONOMY

HK110555 Quezon City BUSINESS DAY in English 10 Jun 86 p 28

[By Tara S. Singh]

[Text] There is a consensus among members of the Constitutional Commission [Con-Com] to grant autonomy to regional governments.

Commissioner Jose Nelledo, chairman of the committee on local governments, said his committee supports government decentralization by granting local governments more autonomy and power to manage their own affairs.

Under the proposed autonomous government concept, regions will be given power to collect, retain and spend their own taxes. They can also establish their own legislature to enact local laws. With this, local governments will be more attuned to the needs of the residents.

Nolledo said the autonomous regional governments will "be treated equally." He said Mindanao or any other autonomous regional government will not be given special treatment.

At present there are 13 regions in the country. A 14th, the Cordillera Autonomous Region, is being proposed.

Meanwhile, the Con-Com is considering another venue for convenience and security reasons. Acting floor leader Napoleon Rama said a good number of Con-Com commissioners are asking for moving out of the Batasang Pambansa building in Quezon City. Rama said many Con-Com members wanted to hold session instead at the old legislative building in Manila.

Rama said Quezon City Mayor Brigido Simon Jr. told him that the present Batasang Pambansa building is "very hard to secure." There are reports that "unfriendly elements" including Marcos loyalists have planned to disturb the Con-Com sessions, he added.

Commissioner Lugum Uka said there is a clear and present necessity to move out of the present Con-Com session site because it is too far and inconvenient for members. He then suggested that Con-Com sessions be held at the Philippine International Convention Center.

Con-Com vice-president Ambrosio Padilla opposed the move. He said there is no need, no clear and present danger at the Con-Com sessions site. He said the military and the police have given their word to adequately protect and secure the present site. "We will take the risk if any," Padilla said.

Commissioner Jose Colayco suggested that a special committee be created to study the matter.

FASTER RELEASE OF U.S. AID SOUGHT BY GOVERNMENT

HK101551 Quezon City BUSINESS DAY in English 10 Jun 86 p 2

[By Conrado R. Banal III]

[Text] The Aquino government wants the United States to release some \$700 million worth of funding assistance to the Philippines faster.

This assistance is being extended to the country in return for the US's use of its military bases here. Some \$500 million of this fund is still to be released and the government is eyeing this to finance its P110-billion "growth" budget for the year.

Finance Minister Jaime V. Ongpin said such an accelerated disbursement was actually offered to the Aquino government.

The offer, he said, was made by U.S. Congressman Stephen Solarz, who heads the House Subcommittee on Asia-Pacific Affairs and who is known to be a close friend of the late Benigno Aquino Jr., President Aquino's husband, Solarz recently sent a cable to President Aquino. Ongpin said the government "of course welcomed it."

Asked whether the Aquino government wants to arrange bridging loans from abroad while it waits for the release of the foreign funding committed to it, Ongpin said such loans remain as options. But he added that at the moment, the government has no plans to seek such loans.

The U.S. Government in 1984, when the Marcos government was having a hard time getting loans from the International Monetary Fund (IMF) and foreign banks, gave the country bridging loans. These loans were to be repaid out of the Philippines's drawings from its standby credit line with the IMF.

Out of the \$770 million in indicative and committed loans the Aquino government got during the World Bank-sponsored consultative group meeting in Tokyo early this month, some \$250 million came from the U.S. Government. The U.S. commitment includes \$200 million in economic support fund (ESF), which the Philippines considers as rental for the U.S. military bases here, and \$50 million in food aid. An advanced disbursement of the U.S. military base package nevertheless can help the Aquino government fill up its foreign funding needs this year.

It wants some \$1.08 billion in foreign aid and concessional loans, but so far it only has some \$570 million in firm commitments from foreign governments and multilateral agencies such as the World Bank and Asian Development Bank (ADB).

Ongpin reported recently to President Aquino that the World Bank consultative group subcommittee for the Philippines estimated that some \$770 million in foreign loans would be extended to the country this year. But about \$200 million of these loans, including a quick disbursing loan -- a commodity loan -- from Japan's Overseas Economic Cooperation fund (DECF), are to be committed after the IMF approves the government's economic program.

RELEASE OF PROPERTY TO MARCOS APPEALED BY U.S.

HK110627 Quezon City Radyo NG Bayan in Tagalog 0400 GMT 11 Jun 86

[Text] The U.S. Government has asked the Federal Court of Hawaii to reconsider its order that the customs service release Marcos properties to the former president. This move was made known to the Presidential Commission on Good Government [PCGG] by the U.S. Government. PCGG Chairman Jovito Salonga said the United States has already filed a motion to the Federal Court [words indistinct], adding that U.S. State Department's Political Affairs Under secretary Michael Armacost personally presented the petition.

MARCOS TERMS REPORT ON WEALTH RETURN 'LIE'

HK110510 Hong Kong AFP in English 0503 GMT 11 Jun 86

[Text] Washington, Jun 11 (AFP) -- Ex-President Ferdinand Marcos on Tuesday night dismissed as "a complete lie and fabrication," a report that he was willing to return more than 2.1 billion dollars to the Philippine Government.

In an interview with AGENCE FRANCE-PRESSE Tuesday, Manila Lawyer Juan David -- a former attorney of President Corazon Aquino's murdered husband, Benigno -- said the exiled Mr Marcos was ready to turn over 2.1 billion dollars, equivalent to 70 per cent of his fortune, "to carve his niche in history" and "buy peace of mind."

Mr David said that in five days of talks with Mr Marcos in Honolulu last month he had convinced the deposed president that it was futile to topple Mrs Aquino, who assumed power after a peaceful revolution.

In a statement telephoned later from Hawaii to AGENCE FRANCE-PRESSE here by a friend of Mr Marcos, the ex-president said the report was "a complete lie and fabrication." Mr Marcos said he had a "copy of the matters that I talked about with Mr David including a tape recording and notes in his handwriting. And I refused to talk with him about any funds and assets." He added: "I have no intention to negotiate about funds or assets." The ex-president said he would ask Mr David to "issue a statement on this matter," otherwise he might take legal action against the attorney.

KBL LEADERS DEPLORE DISPERSAL OF MARCHERS

HK110432 Manila MANILA BULLETIN in English 10 Jun 86 pp, 20

[By C. Valmoria, Jr.]

[Text] Kilusang Bagong Lipunan leaders deplored yesterday the violent dispersal by military and police forces of Marcos partisans, who, they said, tried to march to Malacanang only to air their grievances.

The Partido Nacionalista ng Pilipinas (PNP) warned the Aquino government that the series of forcible dispersals of Marcos rallies are beginning to show a "pattern for repression" that contradicts the civil rights guaranteed by its own "Freedom Constitution."

Reacting to reports that scores of marchers were hurt and five others were stabbed seriously, the KBL leaders said "neither peace socio-economic recovery nor reconciliation is possible under an administration that has embarked on "a course of vengeance, hate, confusion, and divisiveness." [quotation marks as published]

Thousands of pro-Marcos supporters were said to have been driven back last Sunday by soldiers and policemen with tear gas, smoke bombs, water cannons, truncheons, and barbed wire barricades set up a few blocks away from Malacanang.

Former MP Arturo M. Tolentino, KBL titular head; former Speaker Nicanor Yniguez, acting KBL president; KBL secretary general Manuel Garcia; former MP Salvador Britanico, and former Assemblyman Antonio Tupas, said in a joint statement: "The only alternative to this political chaos, economic insecurity, and government instability, is to hold general elections for president down to the municipal level as early as possible.

"Let the people decide once and for all if they are willing to put up with the Aquino government and its policies; after all it prides itself at having been catapulted to national leadership through people power."

Former Labor Minister Blas F. Ople, acting PNP chairman, said the real test of freedom "is freedom for the thought that you hate, not for the thought you like."

Ople said the Aquino government, rather than resort to forcible dispersals with the use of weapons prohibited in the Public Assemble Act, "should not disdain the use of more effective means of promoting understanding such as the dialogue."

"She has offered a dialogue with the CCP[Communist Party of the Philippines]-NPA and the Moro National Liberation Front," Ople said. "She can do no less with the Marcos 'loyalists.'"

ENRILE ORDERS PROBE INTO VIOLENCE-MARRED PROTEST

HK110605 Manila THE MANILA EVENING POST in English 9 Jun 86 pp 1, 8

[By Ed Malay]

[Text] Defense Minister Juan Ponce Enrile this morning ordered a full-dress probe into the circumstances which led to the violence that marred what otherwise was a peaceful demonstration march by Marcos supporters yesterday.

Enrile's instructions were for the military and police commanders who were in charge of the various civil disturbance units that were present in yesterday's demonstration to submit reports on the incident which left scores of rallyists wounded, some of whom were described as being in serious condition.

At the same time, leaders of the so-called Loyalist Movement also announced their intention to bring to the attention of Amnesty International what they perceived to be gross violations of human rights specifically one's right to express his views and the right to a peaceful assembly.

Enrile's order to investigate the violent clash between government troops and loyalist marchers was precipitated by reports which showed that earlier reports the marchers were set to attack Malacanang Palace were fabricated.

It will be recalled that Enrile had earlier ordered military troops to leave the Marcos supporters alone and to treat them with understanding and compassion, and that force shall be used only when the situation warrants the use and employment of dispersal operation.

Former San Juan Mayor Joseph Estrada, who was one of the leaders in yesterday's demonstration, told THE MANILA EVENING POST that the demonstrators only wanted to march from Liwasang Bonifacio to Freedom Park, a place designated by the government itself as Manila's Hyde Park, where one could express himself freely.

Estrada said the decision to march peacefully to freedom Park was made by the leaders of the demonstrators in line with Enrile's earlier pronouncements that no permit was needed for a rally at Freedom Park for so long as the rally is conducted in a peaceful manner.

The former San Juan town executive said the march was peaceful and that there was no intention to attack the Palace. He said Brig. Gen. Ramon Montano, Capital Command [Capcom] chief, and Brig. Gen. Alfredo Lim, Western police superintendent, have no right to disperse a peaceful assembly conducted within the terms specified by Enrile.

The employment of what witnesses described as harsh and brutal measures by military troopers and policemen in yesterday's dispersal operations was also criticized by certain quarters. These sources said Capcom soldiers went as far as throwing tear gas cannisters at even those who jumped to the Pasig River to escape truncheon wielding troopers.

The other leaders of the loyalist group like lawyer Oliver Lozano added that none of the demonstrators in yesterday's rally was armed. Lozano said the firearms allegedly confiscated from some of the demonstrators by Gen. Montano which precipitated the order to disperse the march have been planted. He said these alleged rallyists who were in possession of firearms were in fact police informers who were ordered to infiltrate the ranks of the demonstrators. The presence of these informers and their subsequent arrest for possession of firearms, he said, will this give the military troops the reason to attack and disperse the demonstrators.

Former Manila Councilor Chito Lucero who was with Estrada who sought refuge at the Shakey's restaurant along San Marcelino said policemen attacked the demonstrators even after they had sought safety inside the restaurant. Lucero joined Estrada in questioning the policy of maximum tolerance by Mrs. Corazon Aquino stressing that yesterday's violent incident was definitely not within the purview of such a policy.

Majority of the people who join the weekly rallies, Lucero and Estrada said, were those who have lost their jobs because of the repressive policies of Aquino's government. These people, they said, definitely have every right to express their feelings as they appealed for understanding from the government.

Leaders of the Marcos supporters said the weekly rallies will not stop and will be held as scheduled every Sunday with or without a permit. The "loyalists" reported that many of them were forced to jump from Ayala Bridge to the Pasig River to escape from the dispersal teams of Capcom who were beating up the marchers with their truncheons in a bid to stop them from proceeding to Freedom Park near Malacanang.

The dispersal teams reportedly met them along the Ayala Bridge and P. Casal street, where they were mercilessly gassed and beaten up, sparing no one, even children and women. This writer saw countless marchers bleeding profusely and screaming in pain.

Agitators were also reported seen at the site sowing conflict between the police and the "loyalist" marchers. A male agitator was arrested by a Capcom police team. The wounded marchers are seeking medical assistance since most of them cannot afford to pay the hospital bills.

ARMED FORCES REFORMERS TO EXPAND MEMBERSHIP

HK101555 Quezon City BUSINESS DAY in English 10 Jun 86 p 26

[Text] Reformists in the Armed Forces have decided to expand their membership nationwide and serve as the "second conscience" within the military. Their new thrust is to actively recruit more members, set up camp and unit chapters, integrate the reservists and intergrees into Reform AFP [Armed Forces of the Philippines] Movement (RAM), and elect a national leadership.

"We want to have a national character," said Lt. Col. Victor Batac, vice-chairman of the steering committee, which is the highest decision-making body of the movement. He added that the committee members represent only Metro Manila.

Some RAM members envision a steering committee that will include representatives from various regional chapters, which have gained strength after the February military revolt. Some seats will also be allotted to representatives of the reservists and those of the intergrees.

A number of organizations of reservists and intergrees were formed after the revolt; some had grievances against the second-class citizen treatment they got from the Philippine Military Academy (PMA)-dominated officer corps of the AFP; and others claimed that key positions have all been given to PMA graduates.

Batac said the RAM which is composed mostly of PMA alumni, has "no problems" with intergrees in the various regions because they are incorporated into the RAM chapters. It is only in Metro Manila that the split is showing.

RAM members have started talking to the reservists and looked into their problem of security of tenure. "Their life hangs because their tour of active duty has to be extended yearly," the RAM officer said. "They are susceptible to political pressure."

Batac, however, thinks the organizations of the reservists and intergrees have limited following and are motivated by personal reasons. By RAM's experience, Batac said, it is easier to organize under the new government because of the liberal atmosphere. Many "closet reformists" have come out in the open and there is no fear of reprisal.

Lt. Diosdado Valeroso, RAM spokesman, said that the aim of this new organizational drive is to help strengthen the reforms instituted by the AFP and assist in making these seep down into the field.

"We first had to settle internal problems. There were also debates -- and this issue was in the agenda for five meetings -- whether we should self-destruct or not. A minority was for discontinuance of RAM," he said. Those advocating this view argued that the RAM, in the face of military reforms, will become redundant.

Batac sees RAM to serve as a "second conscience." He believes the movement should continue and make known its position on issues affecting the Armed Forces such as extension of officers.

Other military officers sympathetic to the movement have second thoughts about revitalizing RAM. They see it is a divisive force. They argue that the New Armed Forces of the Philippines should be an entire reform movement.

Batac however said RAM must consolidate its ranks and institutionlize reforms. After this RAM can self-destruct, he added.

A US defense department official -- Col. William Weiss -- observed, "Within the AFP, RAM leaders seem to sense that their special situation carries with it the potential for sowing disunity."

Weiss wrote a paper, "The Philippine Military After Marcos," for a seminar on the Philippines held last April 30 and sponsored by the Washington Institute for Values in Public Policy, a research organization. Weiss said the RAM members constitute a force in the AFP "with influence beyond what their status as mid-level officers would imply ... RAM has ... continued to play an informal role in military affairs ... Its leaders have generally maintained vigilance over government and military policymaking ... They serve to remind that RAM will remain vigilant."

Some RAM members consider the strengthening of RAM as a means to make the AFP an effective army against the insurgents and the loyalists. Others observe however, the RAM should not undertake a separate effort from the AFP because the new government is responsive to reforms. "We just want to take the initiative," a reformist said. But those outside the military, however, welcome the move of RAM.

DEFENSE MINISTRY FORMS ANTI-INSURGENCY FORCE

HK101407 Quezon City BUSINESS DAY in English 10 Jun 86 p 26

[Text] The Ministry of National Defense is forming a special military force to counteract insurgency and urban insurrection fomented by various Marcos loyalists groups. Based on memoranda of Defense Minister Juan Ponce Enrile to New Armed Forces of the Philippines [NAFP] Chief of Staff Gen. Fidel V. Ramos, the "appropriate NAFP unit" to be activated will provide security in all ports and airports and maintain a strong and well-trained counteraction force.

Enrile in a separate memorandum said the defense establishment should take a "more active role in preventing the introduction into the country of materials and equipment that may be used to destabilized the government."

A member of Reform the AFP Movement (RAM) told BUSINESS DAY that RAM members are being tapped to play key roles in the proposed urban-based anti-terrorist force. The proposed special force has been discussed in top level circles of the defense ministry and the NAFP, the source added.

As envisioned, the unit will be directly under the defense ministry and will be based in Camp Aguinaldo. It will be composed of anti-terrorist units of various service commands and their specialized equipment. These units will undergo common extensive training to include urban guerrilla warfare and counterinsurgency in the urban areas.

With a single, elite antiterrorist force in Manila, the reformist said, operation against insurgents and loyalists would be faster and more effective.

A reformist said this proposed group was partly patterned after the American experience. During the crisis in Iran, U.S. forces had to reduce American hostages, but it took time to decide what antiterrorist group would be sent to do the mission because there were many of them.

A prominent RAM member painted this scenario: The New People's Army (NPA) will launch offensives in the city. He said he based his forecast on the fact that the NPA has learned the value of urban insurrection, especially after the February military revolt that helped topple Ferdinand Marcos.

Another reformist thinks the loyalists may go for a "prestige activity" in Metro Manila to show their force, probably an assassination. But he does not share the view that the Communist Party of the Philippines (CPP) and the NPA will be militarily active in the city.

Sources in the AFP said several factors in delaying the formation of the proposed unit: Budgetary constraints and difficulty in getting people from various commands. "This may also be misinterpreted by Malacanang," the military source added. But even without the unit, BUSINESS DAY learned more than a thousand firearms (M-14s) have been allotted to some of the proposed counter-action force proponents, in addition to a number of armored vehicles in Metro Manila.

ILOCOS SUR OIG ASKS FOR MILITARY INTERVENTION

HK100710 Manila THE NEWS HERALD in English 8 Jun 86 p 3

[Text] The newly-designated officer-in-charge of Ilocos Sur, Sally Villanueva, is asking higher military command to immediately relieve the entire PC [Philippine Constabulary] command in her province in the face of tension now gripping the area because of the refusal of incumbent Governor Luis Chavit Singson to vacate his post. Reports have it that Singson, together with his about 500 armed followers and some soldiers of the Ilocos Sur PC command, have been barricading the provincial capitol to prevent her formal assumption to the governorship at all cost.

Villanueva told newsmen in a press conference yesterday that Singson has been airing over the radio that he will never yield the provincial government even with "threats of arrest of death itself." Villanueva also decried the partiality and onesidedness of the PC command when the soldiers numbering 300 and 500 policemen did not lift a finger to stop Singson's followers from attacking her group as she tried to cross the barricades put up by Singson's men in front of the provincial capitol in Vigan, Ilocos Sur last June 2.

In a video tape shown to reporters, the followers of Singson could be seen jeering and shoving off Villanueva's group in an apparent move to provoke her followers. In the ensuing melee, the tape showed, hundreds of Singson's men headed by the former's son, identified as Randy Singson, over-turning the lead car of Villanueva's motorcade. "The sad part of it, when we were being stoned and attacked by Singson's men which lasted for almost 30 minutes, the military officers, led by Maj. Conrado Epregrino and Col. Wilfred Nicolas, the provincial commander of Ilocos sur, did nothing to stop it," Villanueva said. Villanueva, however, clarified that she is now asking the military higher ups to take action to help restore peace and order in Ilocos and not merely to install her in the governorship. If the authorities could maintain peace in our province, she said, she could easily assume her office with the help of her people.

ILOCOS SUR SITUATION VIEWED 'VERY VOLATILE'

HK110526 Manila THE NEWS HERALD in English 10 Jun 86 p 3

[Text] Local government Minister Aquilino Pimentel told newsmen yesterday that the prevailing condition now in Ilocos Sur is very volatile with incumbent Governor Luis Chavit Singson and some of his armed followers still holding out at the provincial capitol. To diffuse violence, Pimentel said, he has asked Bishop Lopez to continue holding the dialogue between Singson and the newly-designated OIC [Officer-in-Charge] Sally Villanueva to thresh out the problems.

I was told Singson was amenable to the appointment of anybody to the governorship except Villanueva, Pimentel said. But he said his ministry cannot allow itself to be dictated upon by Singson.

What is of primary importance, he said, in appointing local officials in Ilocos Sur is the interests of the people and not the persons. "If it is necessary to use extra force to help install Villanueva, Pimentel said, the government will use whatever means available to oust Singson and his followers, numbering about 1,000 in the provincial capitol," Pimentel said. Pimentel however made it clear that there has never been an attempt to replace Villanueva. Villanueva has already been officially installed as governor of Ilocos Sur.

With the appointment of Villanueva as governor, Pimentel said, she can now issue checks for the disbursement of public funds.

APPEAL FAILS TO ADDRESS 'ROOTS OF DISSIDENCE'

HK091224 Quezon City ANG PAHAYAGANG MALAYA in English 4 Jun 86 p 4

[Column by Renato Constantino: "Insurgency Blues"]

[Text] In her Davao and Cebu sorties, President Aquino reiterated her appeal to communist insurgents to return to the fold of society, reminding them that democracy has been restored as a consequence of the end of the Marcos dictatorship. The chief executive offered rebel returnees rehabilitation, housing, livelihood or employment opportunities.

While these offers may be deemed alluring to those who ran to the hills because of economic misery or military and warlord persecution, they address purely personal economic needs. She said nothing about the political roots of dissidence.

The president seems to be under the impression that the insurgency was primarily a struggle against Marcos and that the demise of that administration automatically removed the rationale for continued armed dissidence.

With Marcos out, she expects the rebels to accept her generous assistance toward their individual rehabilitation. Those who do not do so must be "hard core" ideologues who have opted for violence to gain power for its own sake.

The presidential attitude toward those motivated by political and ideological reasons was reflected in her carefully-phrased ultimatum, which echoed her UP [University of the Philippines] speech. She said, "I shall call for a ceasefire for a definite and inextendable period during which I hope negotiations will take place that will result in an honorable and lasting peace that will address the legitimate demands of the insurgents without detracting from the security of the people, the stability of the new democracy or the honor of the armed forces... I shall assume that the insurgent leadership exercises complete control over their men in the field so that any gross violation of the ceasefire will be taken by my government as a deliberate act and a signal for the resumption of hostilities."

These are indeed serious words, parallel to the statement of Ambassador Bosworth who recently said that hardcore insurgents "will have to be dealt with eventually through other means."

Whether the armed struggle is a valid weapon at this historical stage or not may be a debatable question. But the fact is that those who have opted for this type of struggle have political rather than personal reasons for doing so. The insurgency is an expression of protest against policies and institutions responsible for the economic and social ills that plague Philippine society. Such rebels cannot be enticed by offers of rehabilitation. They appear to be cautious in their attitude towards the new government, perceiving that despite the installation of a popular new leader, the forces at work behind the scenes and the institutions responsible for past iniquities, are very much present. Moreover the basic issue of foreign intervention has not been met.

We quote from the published statement of an NDF [National Democratic Front] spokesman: "We grant the good faith of Cory Aquino. But whatever her subjective wishes, we also have to consider the subjective wishes of the U.S. and the reactionaries in her Cabinet who are even now placing obstacles to reforms being made... What will Mrs Aquino do about them? The people are waiting."

A central preoccupation of the rebels is the military which they feel is still the same institution that was utilized by the dictatorship in its program of repression. The bias is of course mutual and is reflected in the increasing confrontation between the two.

The President's statements reveal a predisposition to shield the military from demands that justice be meted out to some of their men for human rights violations committed in the past. We may presume that the insurgents were not reassured by the President's concern for the "honor of the armed forces" whom she refers to as "my soldiers."

In her press conference in Cebu she replied to a question on amnesty for military violators of human rights: "...if this country is to get going, most of us, if not all of us, will just have to forgive and forget." This is in stark contrast to her previous statement that reconciliation must be accompanied by justice. She also made a revealing slip in referring to rebel activity as a "meaningless insurgency."

One can understand that the president must do some tricky tightrope walking when it comes to the Armed Forces, but when does balancing end and adoption of the military's views begin?

Negotiations cannot succeed without a sincere hearing of the rebels' political views and goals. She will certainly not agree with quite a number of these though some could be acceptable. For negotiations to move forward perhaps the other side would at least have to feel confident that were they to opt for a cessation of armed struggle, they would not have to contend with hostile CHDF [Civilian Home Defense Force] fanatic sects or members of the military and that they will be allowed peacefully and freely to try to convince fellow Filipinos of the merits of their position. Without the promise of a pluralistic society where their political idea can have a hearing, no road is open except the military one.

The President said that the cause of dissidence is poverty. This is true. But the causes of poverty must be reviewed in a wholistic manner, poverty must be analyzed not only within the context of the Marcos despoliation of the national wealth, but also in the light of foreign-imposed economic policies. A piecemeal and hortatory approach to a historic problem can not bring about long term solutions to the dissidence it has spawned.

CEBU NPA EXPRESS FEARS ABOUT POLITICAL MINISTER

HK091542 Manila PHILIPPINE DAILY INQUIRER in English 7 Jun 86 p 16

[By Jose D. Logarta]

[Text] Cebu City -- The local committee of the Communist Party of the Philippines expressed fears that Political Affairs Minister Antonio V. Cuenco may be undermining ongoing negotiations between the government and communist rebels with his "unfounded" and derogatory statements on the New People's Army. Cuenco, however, said he was not guilty of disseminating wrong information.

In a statement, the CPP-Cebu accused Cuenco of deliberately maligning the NPA, citing an instance wherein Cuenco prematurely announced a ceasefire in Central Visayas and later publicized the surrender of 34 alleged NPA rebels in Catmon, Cebu whom the CPP disowns.

It also rapped Cuenco for saying that Cebu "has been cleansed of the communist-led insurgency" as was reported in this paper, and for claiming in an interview with a local daily here that "the NPA does not operate in Cebu and that so-called rebels roaming around the mountain barangay here are mostly plain bandits."

On the contrary, the statement read, the NPA is now waging armed struggle both in the cities and countrysides of the province. However its units maintain a "defensive" posture in line with the party central committee's policy on selected targets. In its most recent operations, the NPA said it meted "death penalties" to at least seven persons who had "blood debts" to the people. The seven included members of the Civilian Home Defense Force (CHDF), alleged military informers and intelligence operatives and Tadtad cultists.

For his part, Cuenco said in a long-distance telephone interview with a local paper here, that he never said there was an official ceasefire in Central Visayas. He said he only meant an "unofficial" ceasefire, as there was no shooting between the rebels and government troops. Cuenco also denied contact with the CPP-NPA in Cebu.

NPA FOUNDER URGES MILITARY TO PROVE SINCERITY

HK090629 Manila THE MANILA EVENING POST in English 6 Jun 86 pp 1, 6

[Text] The big problem that would snag the forthcoming conference between the government and the rebels to declare a ceasefire and put an end to long-drawn and costly guerrilla war is the condition that the military confine the soldiers to quarters.

This condition was previously opposed by Gen. Fidel Ramos, armed forces chief of staff and Defense Minister Juan Ponce Enrile, both contending that the condition is not only impractical but dangerous.

The founder of the New People's Army (NPA) Bernabe Buscayno, in a statement in Cebu City following a report that the top leadership of the communists and President Aquino had agreed on holding a meeting soon to end the 17-year old guerrilla war, threatened to rejoin the NPA should the military continue operations against the rebels. "The first step the military must take in solving the insurgency problems," Buscayno said, "is for the soldiers to pull out of the hills and confine themselves to quarters." That, he said, would prove that the government is sincere in its call for peace.

Buscayno was one of many political detainees released after Aquino assumed power to fulfill a promise she made during the campaign. The insurgent leader has been vocal against many of Aquino's policies, one of which is the land reform program which he said is still strongly fascistic.

It is presumed that former Satur Ocampo [as published], whom the communist party of the Philippines and the NPA have chosen to be their representative to the crucial talks will insist on approval of Buscayno's proposal if ceasefire is to be had.

In a press conference at Malacanang, the Chief Executive said she would name the representatives to the important meeting within 48 hours, indicating that this time the meeting with the rebels, put on and off before, would now be pushed through. But the possibilities of both parties failing to agree on a common ground for a ceasefire has loomed with the Buscayno condition, even before negotiations had started.

Aquino yesterday said that a military crackdown on the rebels would be declared if efforts for a reconciliation which was not possible in six months. She said, however, that all peaceful means will be used before drastic measures will be taken against the insurgents.

EX-CPP HEAD DISCUSSES PRESENT PARTY STANCE

PM091250 Paris L'HUMANITE in French 6 Jun 86 p 12

[Interview with Philippine Communist Party Founder Jose Maria Sison by Pierre Salmon -- date and place not given]

[Text] "The main thing is to keep your sense of humor," he said with a smile. He has obviously succeeded in doing so. Some 9 years of imprisonment, most of the time in solitary confinement, and systematic torture have not broken the man or the militant. The Philippine Communist Party [CPP] founder was released as a result of extremely popular political events. He theoretically holds no official post but has since played the role of standard-bearer for a party which is still clandestine and which carries out a guerrilla war and mass political work simultaneously.

With a smile on his lips, Jose Maria Sison, known affectionately as "Joma" in the Philippines, analyzed the fall of Marcos, who he said, was trapped by the crisis. "The trade deficit and the debt reduced his ability to satisfy the big bourgeoisie and increased conflicts of interests in the ruling class. The murder of Senator Aquino in this context was a fatal mistake. It was an attack on the bourgeoisie and led both the church and the United States to think about who could take over from Marcos, although in the long term. It was the people's involvement which speeded things up. Without that Marcos could have remained in power for a little longer."

He compared the Aquino government to a blurred film. "You can see some things clearly, others badly, and things move. Cory Aquino has inherited the problems which brought down Marcos; she has to reckon with the military, who have succeeded in exonerating themselves, and with a people's movement which is still very active. The people still admire her greatly but are not prepared to 'go home'. All this forms a heterogeneous, inconsistent whole within which everybody is trying to gain the upper hand. But this government is antifascist, and antidictatorial, and we are prepared to give it a chance. We encourage its positive aspects without forgetting its underlying, pro-American, pro-bourgeois tendencies, but we think that anything could still happen -- the best and the worst."

Indeed, in view of the enormous economic problems besetting the country, the lack of capital, and the increasing number of enterprises which are closing, Corazon Aquino's extraordinary popularity could rapidly vanish. "Everything will depend on her decisions. For the time being she is proving very naive and strongly influenced by the Americans in the economic sphere: She believes in free enterprise and competition and thinks that people's misfortunes are due to the greed of a few people. This is the reason for her appeals to foreign investors and her request for a moratorium on strikes.... May Day showed that the workers are much more aware of what is at stake, are not prepared to trust blindly and are capable of winning major victories. The victories on antifeudal and anti-imperialist measures still have to be consolidated, and this is the revolutionary movement's role."

The Philippines, a rich country regarded as the "pearl of Asia," is in fact subjected to an American semicolonial status which focuses on agriculture and labor.

"To change this situation, we need agrarian reform and national industry linked to our agriculture. At present, a large proportion of capital is still frozen by the feudalists and we do not have a domestic market.... The agrarian reform would solve these two problems, it would inspire the peasant masses, and industry would enable us to escape the inevitable debt."

Indeed, the Philippines is among the most heavily debt-ridden countries in the world. In this connection Jose Maria, like Fidel Castro, thinks that these debts should be canceled, but this is a long-term, strategic objective. Meanwhile he described the position adopted by the Philippines Government as interesting: only repaying loans which have "been useful to the people." "This is a stage which makes it possible to negotiate and increase the people's awareness."

In the same way he drew a careful distinction between strategy and tactics, between the long and the medium term, on the subject of the U.S. bases. "We demand their withdrawal. But we are not making it a priority. It will take an extremely strong people's movement to secure this and we are not seeking confrontation with the United States. On the other hand the government might very quickly decide on their withdrawal in principle. All that is required is a stipulation in the draft constitution that no foreign power can have military bases on national territory. On that basis intermediate solutions are possible: restoring national sovereignty over the land, keeping only naval and air crews on the spot, denuclearization, possibility of other powers using them.... They could all be negotiated, unless of course the United States decides to behave like an international gangster. But that would be very dangerous for it."

He thinks it is desirable and necessary to have a good exchange of information between the Communists and Cory Aquino on these questions. However, the latter has asked without success for a meeting with CPP leaders several times. So? "A Central Committee member said that there could be an official meeting at an appropriate time. In my view that means when the president has real control over the Armed Forces, and that is far from being the case. Moreover, this is one of the main problems."

This is also why the guerrillas do not intend to part with their military or political means: "The main thing is to prevent any regression, to support the democratic progress achieved in February, and to move toward far-reaching reforms, social well-being, and independence. In this fight the guerrillas provide a guarantee and are the armed hand of the people's movement; they are carrying out political work, implementing agrarian reform, and administering the areas they control.... This can only displease the big landowners, crooks, the military, and the civil servants appointed by the dictatorship. So far we have observed a cease-fire. But the army is taking an aggressive attitude, it is carrying out an increasing number of 'search and destroy' operations. Why should we lay down our arms? We will keep them. Not against Aquino but against those who intend to oppose her own reforms."

SISON SAYS AQUINO GOVERNMENT 'MERE TRANSITION'

HK100047 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 9 Jun 86 pp 1, 2

[Text] Singapore -- Jose Maria Sison, the founder of the Communist Party of the Philippines [CPP] proposed here on Saturday that President Aquino incorporate the CPP in a ruling alliance. But in Washington, D.C. Sison was quoted as saying the government of Mrs. Aquino is a mere transition before the final communist takeover of the country.

Sison, a former political detainee freed after Mrs Aquino came to power, told a seminar in Singapore that it was to her advantage to have the CPP-- with its 16,000 New People's Army guerillas, who are currently battling the Philippine military -- in the fold.

He said including the CPP in a coalition with the political parties Unido [United Nationalist Democratic Organization] and Lakas ng Bayan [People's Struggle] and the military group which helped her take power would save the nation the devastating cost of a civil war, the threat of foreign aggression, and expand trade and economic relations with socialist countries.

"Under the new coalition government, the NPA can be recognized as part of a national revolutionary army in the same way that the AFP [Armed Forces of the Philippines] can be," said Sison.

Asked by newsmen to comment on the proposal, Luis Villafuerte, chairman of the Presidential Commission on Government Reorganization, who also addressed the seminar, said he would carry the proposal to Mrs Aquino if Sison gave him the details.

Argued Sison: "It is quite possible for any group within the AFP with or without U.S. inspiration, to make trouble or stage a coup against the Aquino government.

"So long as the people's army stands ready behind people's power, not even the United States nor any anti-Aquino armed group would dare unleash a coup against the Aquino government.... So long as it wishes to rely on people's power and make substantial democratic reforms, the Aquino government can consider the NPA as an armed force to its advantage."

However, he said Mrs Aquino would have to win over even her supporters in the military, the sworn enemy of the CPP, if her current plan to negotiate a truce with the CPP and bring about a ceasefire as the first step to a reconciliation succeeded.

Sison said the CPP, which had built up its strength through "revolutionary struggle and so much sacrifice," could not be expected to accept legalization if it would mean giving up its military strength and "baring its chest to the bayonets of the reactionary state."

He added: "Were Mrs Aquino in full control of the AFP, she could unilaterally effect the drastic reduction of the armed conflict, a standstill between the AFP and NPA or a de facto ceasefire even before a formal negotiated ceasefire."

He contended that the CPP had time on its side and said a cutback in the military campaign would considerably reduce the level of spending on the AFP, which in turn could help reduce dependence on foreign aid for development funds.

Sison urged the government to press ahead with land reforms, which he said would in turn garner active mass support for the coalition government and render the bloody struggle between the NPA and AFP unnecessary.

He said a government incorporating the CPP could dispose of export commodities, the market for which is depressed, through counter-trade with socialist countries, and in return get capital goods and essential consumer items. He contrasted this with Philippine reliance on enormous loans from capitalist countries with conditions attached.

"The Aquino government," he said, "is under order by the United States through its own agencies and transnational firms as well as multilateral agencies like the IMF and World Bank to stick to agriculture, shun industrialization, liberalize imports, attract foreign investments, comply with debt obligations, increase domestic tax burden, freeze wages, depreciate currency and so on."

He added: "The ruling system is deteriorating at a rapid rate. It is simply impossible for the Philippine government to comply with the dictates of the foreign investors and creditors without causing massive social unrest and the intensification of people's war. A California-based anti-communist group -- the Christian Anti-Communist Crusade [CACC] quoted Sison as telling his followers in Manila that Aquino "was playing the role in the Philippines similar to that played by Kerensky in Russia in 1917." Kerensky was the popular Russian leader who took power after the overthrow of the czar and established a democratic government. CACC analyzed the statements of Sison in Manila as published in the Trotskyist communist magazine INTERNATIONAL PRESS in its latest newsletter which is distributed worldwide.

SISON BLAMES AQUINO FOR CONTINUED VIOLENCE

HK110218 Manila Far East Broadcasting Company in English 2300 GMT 10 Jun 86

[Text] Released Communist Party founder Jose Maria Sison criticized President Aquino on the cease-fire issue. He said Mrs Aquino has misled the people into believing she has issued the call for a cease-fire. According to Sison, who was interviewed in Legazpi City last Monday, President Aquino has not yet made a formal call for a cease-fire. He blamed this for the continuing violence and encounters between the military and the communist rebels. Sison also insisted on a stop to what he termed as the continuing military buildup. Without touching on the increased rebel atrocities, Sison blamed the military's move to field more troops to protect communities exposed to communist attacks. He also claimed President Aquino has no control over the military.

NPA ASKS AQUINO TO SEND SOLDIERS TO BARRACKS

HK090637 Quezon City Radyo Ng Bayan in Tagalog 0600 GMT 9 Jun 86

[Text] The NPA warns of bloodshed in Negros if the military carries out its "O-Plan Mamamayan" ["Operation Citizen Plan"] in its counterinsurgency campaign. The NPA made the announcement following reports that an additional three army battalions will be sent to beef up forces in Negros. The communists also asked President Aquino to send all soldiers based in NATO-inflicted areas back to barracks before dialogue between NPA emissaries and the government side are held. At the same time, the NPA warns that military units in Negros would be marked as targets of its sparrow units.

19 KILLED IN AMBUSH OF DEFENSE FORCES IN COTOBATO

HK060303 Manila Far East Broadcasting Company in English 2300 GMT 5 Jun 86

[Text] Nineteen people were killed when communist rebels ambushed paramilitary troops in South Cotabato. Military spokesman Sergeant Fernando Bulad said 10 rebels and 9 soldiers were killed when two groups totalling about 500 rebels attacked members of the Civilian Home Defense Force Tuesday in (Alabel) and Malapatan. Among those killed were three paramilitary leaders. The rebels burned the house and vehicle of a former village chief in (Alabel). Government troops were sent to the area to pursue the rebels.

JAPAN RESUMES EXPORT INSURANCE COVERAGE

HK110336 Manila MANILA BULLETIN in English 10 Jun 86 p 13

[Text] The Ministry of International Trade and Industry of Japan (MITI) has resumed coverage of export insurance for the Philippines in a move to normalize bilateral relations between the two countries. Official sources said the MITI cover, which was suspended about two years when the Philippines faced a serious financial crisis, was restored at the end of April 1986. The export insurance assures Japanese suppliers that they would be paid for whatever products or services they would deliver to customers in the Philippines. Shortly after the country declared a moratorium on payment of external debt in late 1983, Japan stopped providing export insurance while suppliers held back product deliveries.

Sources said the first kmajor beneficiary of the restored MITI insurance cover would be the state-owned National Power Corp. [NPC] which is overhauling a thermal plant supplying a large portion of the electricity needs of Metropolitan Manila. The facility, called the Malaya plant with a capacity of 650 megawatts, is to be rehabilitated by Marubeni Corp. on a turnkey basis with funding provided by the Export-Import Bank of Japan.

The Export-Import Bank is to shoulder 85 percent of the project cost of 12 billion yen, with the balance to be borne by Marubeni. With the export insurance cover, the financing arrangement is deemed completed but sources said some hitch has developed in the implementation of the project. NPC, under the government of President Aquino, is reported to be insisting that it negotiate directly with Hitachi which is supplying the equipment.

JOINT COMMITTEE WITH JAPAN TO MONITOR LOANS

HK110620 Manila THE NEWS HERALD in English 10 Jun 86 pp 1, 6

[Text] The Philippines and Japan will set up a joint machinery to expedite the use of Japanese loans and assistance and avoid payment of kickbacks. Vice President and Foreign Minister Salvador H. Laurel, fresh from a stint in Tokyo, told newsmen yesterday that a joint committee will monitor the flow of foreign funds here.

Another safeguard is to require these funds to be coursed through the ministry of foreign affairs. In this way, it was hoped that the foreign loans and aid would be concentrated on the authorized disbursements. This will also preclude the payment of commissions to 10 percenters whether Filipinos or Japanese.

At present, a Japanese government agency is looking into the payment of kickbacks to Tokyo businessmen, allegedly involved in arranging Japanese funded projects in the country during the Marcos rule. However, Laurel, during his stay in Tokyo, did not concern himself with this irregularity since this is already being attended to by the Commission on Good Government.

Laurel, however, has reported to President Aquino that seven of 11 projects under the 13th yen loan agreement have been approved by Tokyo. This means that sixteen billion yen (\$18 million) will be available to the new government. Of the remaining thirty two billion yen (\$36 million), Laurel said that the government hopes to have this converted into a commodity loan.

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